Daily Report

Latin America

FBIS-LAT-94-116
Thursday
16 June 1994

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FBIS-LAT-94-116 *16 June 1994*

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Further on Speeches to Ibero-American Summit

Argentina's Menem Demands Democracy

PY1606002194 Buenos Aires LA PRENSA in Spanish 15 Jun 94 p 3

[Text] President Carlos Menem spoke yesterday before the Fourth Ibero-American Summit in Cartagena de Indias, Colombia. He took the opportunity to demand democracy for Cuba right in front of Fidel Castro, to highlight the changes in Argentina since 1989, and to reject abortion. In his seven-minute speech—the time allowed for the presidents to express their position—Menem called for a political "change" in Cuba based on a request made earlier to Castro by Venezuelan President Rafael Caldera. He concluded his message calling on the 21 heads of state and government to speak out against abortion. "No Latin American government has been able to develop under a dictatorship or totalitarianism, which are systems that have completely failed" said Menem in reference to the situation in Cuba. "I understand that perhaps in some countries those conditions do not exist but that depends on each of those countries, and it is not my intention to meddle in the affairs of other countries." Menem was quick to clarify that he had not made a special reference to Cuba.

After recalling that he also suffered "imprisonment, persecution, and torture," like some of his colleagues, Menem emphasized: "The Venezuelan president (Caldera) referred to this issue. With great affection and love I also call on this friend who is the commander of Cuba, under the same terms and form, on the need for change in Cuba which is a country we all love." Menem never mentioned the name Castro and only identified him as "the commander of Cuba." He spoke at noon yesterday. He was the third speaker after Fidel Castro spoke. The first session was interrupted for a few minutes over a special request by Menem to the summit president, Colombia's Cesar Gaviria Trujillo. Following Gaviria's address, the speakers were Brazil's Itamar Franco, Uruguay's Luis Lacalle, Guatemala's Ramiro de Leon Carpio, Venezuela's Rafael Caldera, Cuba's Fidel Castro (who harshly criticized the United States), Ecuador's Sixto Ballen, Panama's Guillermo Endara, and Carlos Menem whose speech was delayed for a few minutes after Gaviria granted the brief recess he requested.

Menem's speech first covered economic matters, which is one of the main issues of the summit that will close this evening when Menem will deliver another speech, as will Gaviria, because Argentina will host the next summit. Unexpectedly and based on the mention by Venezuela's Caldera, President Menem talked about dictatorships and could not avoid referring to the Cuban issue. Menem returned to his prepared speech to talk about the state reform. He said: "Based on our experience, I can say that a reform strengthens the state in such a way that it can begin a process of profound economic change."

Directly addressing President Gaviria, who spoke on this issue, Menem pointed out that in Argentina "we are conducting an all-out struggle against corruption. Argentina has completely changed its history with the state reform." He emphasized that "every enterprise that we have privatized was a monument to corruption." The privatizations "have given us an opportunity to begin a new stage with growth and development, and to fight the worst scourge that could hit a community which is hyperinflation." Menem wore white pants and a light blue shirt as the meeting was informal. He compared the $60 million in the safe of the Central Bank when he assumed the government with the current $18 billion. He added: "We have made some great achievements, and those who say this is just some kind of adjustment policy are lying." He said: "Argentina has the greatest growth in the western world and is third at the global level thanks to the state reform, a market economy, and a strong fiscal adjustment."

President Menem took this opportunity to urge the summit to speak out against abortion. Menem said the leaders will probably talk about "human rights, democracy, freedom ..." He then paused for a deep breath and said: "The protection of life. For me, and I hope the other presidents agree, life begins at the moment of conception in the mother's womb." Menem added: "These issues related to man's dignity will be discussed and talked about." He was applaused by those attending the summit.

Brazil's Franco Notes Accomplishments

PY1506114894 Sao Paulo AGENCIA ESTADO in Portuguese 1943 GMT 14 Jun 94

[Article by Correspondent Tania Monetiro]

[Text] Cartagena, 14 Jun (AE)—President Itamar Franco today gave an optimistic speech regarding the implementation of the economic stabilization plan during the opening session of the Fourth Ibero-American Summit of Chiefs of State and Government. "The Brazilian economic stabilization program meets the political and economic demands of openness and fiscal balance which are essential to correct the serious distortions caused by the high interest rate we are enduring," President Itamar said. In reply to those who say that the economic measures are aimed at helping Fernando Henrique Cardoso's candidacy for president of the Republic, President Itamar took the opportunity to point out that the economic plan "is not aimed at short-term goals; it attempts to make the Brazilian people recover their confidence in the future."

Meanwhile, Brazilian Foreign Minister Celso Amorim said during an interview that it is not enough for Brazil to follow a correct path to consolidate the economic plan. "The international environment should also be favorable," he said. Amorim today commented ironically on an article published in the Colombian press which stated that Brazil is the inflation champ in the American continent. He said: "That is so only until 1 July," after which he added that in two, three, or four

months the situation of Brazil will be privileged. Amorim added that despite the high inflation, one-third of foreign investments in Latin America are invested in Brazil, even before the economy stabilizes.

In his speech, President Itamar mentioned the government measures to make the state efficient. "The people and the government are united with the same determination. We no longer permit the antiethical behavior that threatened the foundations of civilian society," the president said. Franco said that the economic plan is entering a decisive stage and that it will soon establish a new macroeconomic standard in the country.

During his speech, Itamar took the opportunity to enumerate the accomplishments of his administration during the past 18 months. He mentioned that the Brazilian GDP increased by 5 percent last year and that the same rhythm of growth will be maintained this year. Brazilian foreign trade is experiencing an unprecedented openness. "We abolished all the non-tariff barriers on imports; we reduced the average import tax from 54 percent to 14 percent." The president also mentioned the exchange reserves which amount to approximately $38 billion, the 76 million tonne agricultural harvest, and the 9.6 percent industrial recovery. He also mentioned the Brazilian foreign debt agreement with the international financial community.

For Franco, "stability is not an objective by itself." He added: "The resumption of growth cannot be isolated from policies that comprise a social dimension." According to Itamar, the benefits of modernization should reach everyone. "Social exclusion, poverty, and hunger must be eliminated from our countries and the world, because the presence of these evils weakens our society and undermines international cohesion," he said.

President Itamar also directly alluded to the 3 October elections: "During a pre-election period, which must yield important results for the future of Brazil, we are witnessing a process of political maturity among our citizens, with the certainty that democratic conviction will be the great winner in this electoral dispute," he said.

Paraguayan President's Remarks

PY1506161894 Asuncion ABC COLOR in Spanish 15 Jun 94 p 22

[By special correspondents Nestor D. Escobar Franco and Eduardo Franco]

[Text] During his address on 14 June to the Fourth Ibero-American Summit, President Juan Carlos Wasmosy demanded a more tolerant attitude toward Paraguay's position regarding its outlet to the sea. He appealed to Argentina and Uruguay for a smoother policy for Paraguayan access to the sea. He questioned the freight surcharges that make national products more expensive, and asked the Ibero-American community for forthright solidarity in facing unemployment and deprivation. He also called for "a more socially just, more economically free, and more politically democratic Ibero-America." Venezuelan President Rafael Caldera asked his colleagues to formulate more than a rhetorical condemnation of corruption and asked for exemplary punishment of those corrupt people who stuff their pockets with public money.

Wasmosy maintained that it is of vital importance that Paraguay's products have an easy outlet to the sea. He pointed out that despite Paraguay's efforts to reach the sea "we run into difficulties in Argentina and Uruguay." In this respect he noted that such difficulties concern freight surcharges that make national products more expensive.

Wasmosy insisted that the efforts being made by his government to improve the economic and social situation are being hampered by Paraguay's landlocked situation. "When using our outlets to the sea, whether by river or by land, we run into such difficulties as freight surcharges that make our products more expensive, and the same happens with the products that we import," he said.

He added: "In this respect we appeal to the solidarity of the countries through which we must transit, and ask them to offer an easier policy. Often the maritime countries do not understand what it is to be a landlocked country, and what this implies."

In another passage of his address, Wasmosy called for gradual integration "to unite a socially more just Ibero-America. [no closing quotation marks as published] He said that "under the banner of democracy the postponed needs of the people become very genuine demands that our mandates cannot ignore."

He highlighted the fact that most of the American countries have democratic systems that must be strengthened. "We must debate the social problems during this summit, as it is a topic that concerns all of us who are participating in this forum, and we want to seek solutions so that our people can enjoy better welfare and better living conditions."

Wasmosy stated that there are many needs that must be satisfied, such as health conditions, education, employment, housing, equal opportunities, and the pressing need for social justice.

He indicated that in these new times significant problems have also emerged due to the increase in crime and drug trafficking, which result from economic and social difficulties and from the existing imbalances within societies. "In order to resolve these social and economic problems, within the framework of democracy, we must seek improved distribution of wealth while increasing resources on the basis of greater production and better quality for all agricultural and industrial products."

The president asked "that a frontal attack be made on deprivation and misery with an accelerated increase in economic and social development, within the framework of inter-American solidarity, in order to overcome the deficiencies that show up on our social gauges."

Wasmosy also indicated that through a social market economy, but always respecting individual freedom and through common efforts, an improvement in the conditions of life can be achieved. "In order to achieve this we must achieve a constant and firm economic integration, a goal that will be achieved gradually in several stages, including free trade zones."

He maintained that the reform of the state demands much more economic support. "We need greater financial resources, the incorporation of new technologies and, I would even dare to say, greater international solidarity," he stressed.

He emphasized that he will continue with the reform of the state. Wasmosy indicated that in seeking to change the structure of the state he has sent several bills to Congress with the objective of modifying the financial system, the business system, and others.

Salvadoran President on Development

PA1506184994 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0300 GMT 15 Jun 94

[Text] Cartagena—Salvadoran President Armando Calderon Sol on 14 June in Cartagena urged his colleagues meeting in the Fourth Ibero-American Summit of Heads of State and Government to form a common front to defend the legitimate right to development of the region's peoples.

He said that strengthening representative democracy, promoting human rights, and achieving economic and social development should be the great goals of the 21 Ibero-American leaders.

President Calderon, who is attending for the first time the meeting of Ibero-American leaders, a group that has already met on three occasions, added that now that nearly all peoples of the region are enjoying democracy, it is crucial that we direct our efforts toward improving the living conditions of our people. He called for an expanded discussion among the presidents on the integration issue, not just on trade liberalization. Calderon pointed out that our Central American countries are making enormous efforts toward integration.

Chilean President Views Solidarity

PY1606020594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 15 Jun 94

[Excerpts] Chilean President Eduadro Frei has requested that Chile be the site of the next Ibero-American summit to be held in 1996. [sentence as heard]

Speaking before the heads of state attending the summit in Cartagena, Frei urged his colleagues to achieve economic development on the basis of social development and to combat poverty. The following is a report by our special correspondent.

[Begin recording] [Unidentified reporter] All the heads of state attending the Fourth Ibero-American Summit are lodged at the Cartagena Hilton Hotel. Four thousand policemen and soldiers have been entrusted with the security of the visiting dignitaries. For this purpose, they have been detached throughout the hotel building and the city where many of them have to endure intense heat and humidity.

Because of extreme weather conditions, the visiting heads of state arrived at the convention center wearing informal clothes. President Eduardo Frei was accompanied by his wife, Marta Larraechea.

Sitting next to Cuban President Fidel Castro during the first work session, President Frei broached the subject of open regionalism.

[Frei] We must expand our trade on realistic and specific terms and without exceptions. In economy, like in politics, exclusion is not only unjust but also dangerous.

The number one priority issue of my administration is to combat poverty. No matter how important it may be, however, government action is not enough to combat this scourge which is affecting over one million Chileans. All national groups must, therefore, join efforts to overcome this situation. In view of this, it is imperative today to establish a culture of solidarity which makes people and development the main target of both government action and private business.

[Reporter] The Ibero-American Summit is the only regional group that allows Fidel Castro's attendance. Cuba has been excluded from the OAS since 1962 and only countries with democratic regimes take part in the Rio Group. [passage omitted]

Although this issue is not on the summit's agenda, there are informal talks about Cuba's eventual return to the OAS. Asked his opinion about this, President Frei said:

[Frei] This decision is now up to Cuba. We want Cuba's return to the Latin American system. This obviously will be achieved by taking steps toward democracy, implementing a democratic process, and upholding human rights, which we believe is of utmost importance. [passage omitted] [end recording]

Presidents, Officials React to Castro Speech

Reschedule Lunch To Discuss Issue

PA1506201594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1737 GMT 15 Jun 94

[Text] There has been a change in the agenda of the presidents and heads of government. A lunch had been

scheduled at the Fishing Club around noon today. However, in the wake of numerous statements on individual positions each president has regarding the Cuban issue, the U.S. economic blockade, and President Fidel Castro's unexpected speech yesterday, the leaders decided to meet or have lunch here at the convention center to discuss, behind closed doors, the positions presented on the Cuban case.

Later on, at approximately 2100 GMT, the last working session will be held. Tonight, Colombian President Cesar Gaviria Trujillo and Argentine President Carlos Saul Menem will close the event. They will be the only speakers at the ceremony.

Argentina's Menem Comments on Cuba

PA1506220694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1337 GMT 15 Jun 94

[Interview with Argentine President Carlos Saul Menem by reporter Manuel de la Rosa and Caracol News Director Dario Arizmendi at the Cartagena de Indias Convention Center—live]

[Excerpt] [De La Rosa] Good morning. We are here with Argentine President Carlos Saul Menem, who is playing a tennis match teamed up with Dr. Miguel Silva against Ambassador Alberto Casas and Counselor Ricardo Avila. Are you winning, Mr. President?

[Menem] We were at deuce, so we will have to continue to play.

[De La Rosa] Mr. President, regarding the surprise speech by Cuban President Fidel Castro at the convention center yesterday afternoon, as well as the subsequent remark he made as he was riding in a car—something to the effect of: We are divided—what is your opinion on this?

[Menem] I would say there are different concepts of democracy. One is the one understood by free countries in which the people elect their representatives. There are no barriers, no penalties, and no prohibitions on leaving one's territory or on stating one's opinion—places in which there are no political prisons, persecution, or torture.

The other form of democracy is that which Commander Fidel Castro understands. He gets angry, speaks out melodramatically regarding the situation in Cuba, and I say this with all respect due to the commander. Only one thing is to blame for the crisis Cuba is facing, and it is this: As long as Cuba does not live in democracy, and as long as it does not return to a way of life common to other countries in America and in the world, it will be very difficult for our positions to agree.

I have been a victim of the tyranny of a dictatorship. I was virtually an outlaw in my own country for 25 years. I spent five years in prison. I know what it is like to be tortured, what the punishment cells entail. I know that my companions suffered greatly during the years when the killings occurred. Nobody can tell me or teach me anything about that, not even the commander, who was never in prison.

Moreover, there is no indication that the situation in Cuba will change. This is something that is entirely up to him. This is why I do not see any sense in the melodrama he is making of the Cuban situation, blaming it on the U.S. blockade imposed solely, I would say, by the United States. Other countries are trading and, in fact, bringing capital into Cuba. The measures and controls are so strict, however, that they discourage any type of investment. This is the truth.

[De La Rosa] President Menem, this melodrama that you speak of by Fidel Castro, couldn't it complicate things for Latin American integration?

[Menem] No, no, no. I am familiar with integration processes in other parts of the world in which countries that disagree with circumstances that prevail in a region or on a continent cannot integrate with the other nations of the region. They do not enter into the free zone until their plans and proposals change. If we live in a democracy, one has to follow the steps of the majority—not only the majority at the state level, but also the majority at the level of the people.

[De La Rosa] Commander Castro noted that he was hurt yesterday afternoon by a lack of solidarity from the Latin American countries against the U.S.-imposed blockade against the island.

[Menem] I do not believe it is a lack of solidarity. I reiterate that many countries of the world are commercializing and taking their production to Cuba, as well as working with Cuba over these past few years. For instance, in 1974 the Argentine Republic under the presidency of General Peron broke the U.S. blockade and assisted Cuba with resources, products, and foodstuffs to the point that ever since then, and subsequent to the many contributions that were made, Cuba owes Argentina more than $1 billion. The commander, should then speak of this reality, which we Argentines know of very well.

[De La Rosa] Are the Ibero-American countries divided then, as the Cuban president stated informally?

[Menem] I do not think they are divided, just the opposite. We are all asking Commander Castro to give respite to the Cuban people—to leave them in a position to exercise their rights. We are speaking of the defense of human rights. We are speaking of life. We are speaking of liberty. Obviously these things are nonexistent in Cuba.

[De La Rosa] President Menem, thank you for suspending your tennis match to give an interview to Caracol Network. Dario, do you have any questions?

[Arizmendi] Yes, of course. We are pleased to greet President Carlos Saul Menem again, after interviewing him exactly one year ago for Colombian television. Mr. President, if the Cuban president does not change his

position regarding the concept of democracy, as it is understood in Western terms, is there a possibility that he will not be invited to future summits?

[Menem] No, no. The commander is always going to be invited. Now, Dario, I do not understand the distinction that you just made—Western style democracy. I believe there is only one democracy. Everyone participates in that democracy. Democracy is created when people elect their representatives and when the representatives govern for the people. There is only one kind of democracy, and not the kind maintained by Fidel Castro. It so happens that not too many years ago Chilean President Pinochet said his dictatorship was a democratic one. In other words, there are different concepts of democracy, but there is only one kind of democracy.

[Arizmendi] President Menem, you have been, perhaps, one of the most principled presidents, and your attitude regarding all types of dictatorship has been well-known to the public for some time. When you meet Cuban President Fidel Castro, how do you greet one another? Is there any kind of warmth or cordiality, or is there distance between you?

[Menem] No, there is cordiality, and there is fluid dialogue, but we do not speak of politics or anything related. We were talking yesterday about the place where I was born, what we do there, what my family's activities are, whether my family has vineyards, and if my family makes wine. I explained several things to him regarding my hometown in a province in the northwestern region of the Argentine Republic. We did not broach politics at all. Those things have to be discussed publicly. They have to be treated as we have been treating them since the Guadalajara summit. The commander also, publicly, has referred to his form and style of government, and his references are common to those of any dictatorship, or at least any kind of government outside democracy. [passage omitted]

Menem Decries Franco for Praising Cuba

PY1606012094 Madrid EFE in Spanish 1634 GMT 15 Jun 94

[Text] Buenos Aires, 15 Jun (EFE)—Argentine President Carlos Menem today criticized his Brazilian counterpart Itamar Franco because, during the inauguration of the Fourth Ibero-American Summit in Colombia, Franco praised the policies of Fidel Castro administration's in Cuba.

"Franco gave Castro a toehold from which to throw everything he had to defend Cuba and to assure that his government is totally democratic," the Argentine president complained to a Buenos Aires radio station.

Menem said: "Five or six heads of state had just asked Castro to democratize Cuba. Castro defended his regime and launched a frontal attack against the United States and the cruelty of their policy of blockading the island." He added: "It would have all ended there if, at the end of the round of speeches, Franco had not unexpectedly asked to speak again. He took the floor to praise Fidel Castro and Cuban policies, and to ask for the lifting of the blockade."

The Argentine Government is Castro's staunchest opponent in Latin America, which is consistent with Menem's foreign policy of full alignment with U.S. positions.

Menem said he held a long conversation with Castro during a boat trip by the heads of state in Cartagena yesterday. He made clear, however, that the talk was not official and that the two leaders did not discuss political matters.

The president said: "We did not talk about politics, we talked about Anillaco," the town in the northeast where Menem was born.

Argentina's Di Tella Censures Castro

PY1506233894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1840 GMT 15 Jun 94

[Text] Cartagena, Colombia, 15 Jun (NA)—Argentine Foreign Minister Guido Di Tella censured Fidel Castro in Cartagena today over the latter's speech during the inauguration of the Fourth Ibero-American Summit of heads of state and governments. He said: "Cuba is in very bad economic shape because its policies are very bad."

Di Tella confirmed the possibility of a personal meeting between President Carlos Menem and Castro. He added, however, that "conditions are not right" following the harsh speech by Castro yesterday.

Di Tella said: "Yesterday, in the boat (that transported the presidents to a luncheon) they were together and they chatted. The same thing may happen again." Di Tella quickly added, however, that a formal meeting is unlikely because conditions are not right. "Castro's position does not encourage anyone to speak seriously," the minister said

Di Tella talked with Argentine journalists covering the summit at this city's convention center at noon today. He recognized that the Argentine Government felt "very bad" about Castro's speech at the end of the ceremony yesterday.

Foreign Minister Di Tella, who does not hide his deep differences with Castro, said: "To say Cuba is being persecuted and that their entire situation is the consequence of U.S. persecution is like living on the moon."

Di Tella said: "Cuba is in very bad economic shape because its policies are very bad." The minister added: "The U.S. embargo, which the Cubans call a blockade, prevents them from purchasing from the United States, but not from Canada, Mexico, or Europe."

Regarding the situation on the island Di Tella said: "Their economy is a mess because of their policy that the state directs, contracts, and rations everything."

Di Tella stressed: "Cuba needs a qualitative change toward democracy and a change toward a market economy—which started to appear but too timidly—because the situation is on fire."

He said: "There is no point in talking about Cuba's entry into the Inter-American system until these changes take place. We expect Cuba to join the system later. I hope Castro will introduce those changes; if not, I think the situation will end dramatically."

The foreign minister said: "We do not want Cuba to be reincorporated into the OAS before it accepts democracy," because the organization "is a democratic club."

Di Tella thus answered criticism by Castro against his counterparts on 7 June for not pronouncing "a single word against the United States' criminal blockade" and for not reiterating the demand to democratize the island. [sentence as received]

"We respect your opinion and you should respect our opinion," said Castro during an impromptu speech last night when answering the insistent call of various presidents, among them the Argentine president, to introduce democracy in Cuba.

Venezuela Urges Cuban Democracy

PA1506221594 Madrid EFE in Spanish 1831 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—Venezuelan Foreign Affairs Minister Miguel Angel Burelli said today that should Cuba want to join the OAS, it must comply with the rule of democracy, hold elections, and respect human rights.

Burelli told the media gathered at the Convention Center of Cartagena de Indias (Colombia), where the Fourth Ibero-American Summit is taking place on 14 and 15 June, "America is a community that has a political system established by the OAS; there is a government philosophy and a rule of democracy."

He pointed out: "For Cuba to belong to this community, it must comply with the rule of democracy; that is, it must hold elections and respect human rights." He also pointed out he hopes Cuban President Fidel Castro "takes the necessary steps to join the community that is waiting for him."

Answering a question on whether Castro's move from wearing his green military uniform to wearing a guayabera shirt could be interpreted as a his willingness to make changes, Burelli replied: "I hope so!; I hope so!" This is the first time Castro has dressed in something other than his uniform since the Cuban Revolution succeeded in 1959. The Venezuelan foreign minister stressed his government "is very interested" in the Cuban economic changes, but it hopes these changes come along with "political changes."

During the summit's first session, Venezuelan President Rafael Caldera said: "The time has come" for Cuba to join the inter-American political and judicial systems and to change its political system.

Minister Burelli said the opposite with regard to Haiti: His government opposes any "unilateral or multilateral" military action in Haiti to put and end to the bitter crisis that is engulfing that country. Burelli also reported his government has requested the inclusion of the issue of corruption in the summit agenda in order to issue a resolution to prevent "granting asylum to corrupt people, just as drug traffickers are denied asylum."

Gaviria Refrains From Comment

PA1506215994 Madrid EFE in Spanish 1851 GMT 15 Jun 94

[Text] Cartagena de Indias (Colombia), 15 Jun (EFE)—Colombian President Cesar Gaviria today refrained from commenting on yesterday's speech by Cuban President Fidel Castro during the opening session of the Fourth Ibero-American Summit of heads of state and government. Gaviria stressed that here "the people say what they feel."

Asked about Castro's speech during which he requested respect for his country's self-determination, the president, host of the Fourth Ibero-American Summit being held in Cartagena de Indias, said that "those are Fidel Castro's speeches, and I believe the whole world has heard them."

"He said nothing new except for saying that he agrees with the Miami meeting and hoped it will go well," the Colombian president said when referring to the Cuban president's mention of the Summit of the Americas to be held in December in the United States. "I do not want to assess anyone's statements. Not Castro's or anyone else's. I believe that what had to happen happened at the meeting and that is that the talks were forthright and everyone said what they felt."

Gaviria today invited the Central American (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama) presidents to a working breakfast during which they discussed Colombia and Venezuela's commercial integration with Central America. "It was a meeting during which we studied the possibilities of making progress on an agreement that is already being discussed and which we hope will conclude shortly," the Colombian president said.

President Gaviria added that his government asked "the presidents, and their ministers, to try to ensure that political will prevailed in the conclusion of the agreement which we hope will be reached shortly." Gaviria said that they also talked "about something that is already under way and that is, Colombia's participation

in the Central American Integration Bank," as well as the importance of absorbing the various processes of integration into one.

Gaviria, who met and lunched with the participants at the Ibero-American Summit behind closed doors at the Convention Center in Cartagena de Indias said that the presidents had made "much progress" in their discussions. Gaviria said: "We have made progress on topics that have to do with the position of each country in light of the problems of Ibero-America. We are going to make more progress with the agenda, and we are pleased with the way the meeting is going."

Leaders Interviewed on Cuba

PA1506201394

[Editorial Report] Santa Fe de Bogota Emisoras Caracol Network in Spanish between 1403 GMT and 1630 GMT on 15 June broadcasts approximately 42 minutes of brief recorded interviews with leaders attending the Fourth Ibero-American Summit of Heads of State and Government in Cartagena de Indias, Colombia. All the leaders interviewed—Spanish Head of State Felipe Gonzalez, Salvadoran President Armando Calderon Sol, Colombian President Cesar Gaviria, and Ecuadoran President Sixto Duran-Ballen—react to comments by their Cuban counterpart Fidel Castro Ruz.

Answering a question regarding Cuba's possible reinstatement into the OAS, Felipe Gonzalez says: "I believe Cuba can and should be reinstated to every institution on the continent. However, it would be a two-way process; not only would there be movement by the institutions toward Cuba but also by Cuba toward the institutions. I believe I have been clear on that."

Meanwhile, Salvadoran President Armando Calderon Sol argues that Castro brings up the blockade issue every time there is a call for political openness in Cuba. Calderon Sol says: "We want democracy and freedom in Cuba, and he has very cleverly resorted, as usual, to a discussion of the blockade that began during the sixties. In other words, the blockade is Mr. Castro's excuse when it comes to the issue of freedom."

Reporters also question Colombian President Cesar Gaviria about Fidel Castro's speech. Gaviria says it was quite similar to past speeches. Regarding Castro's remarks concerning democracy, Gaviria says: "Castro defends his understanding, his concept of democracy. The rest of us, obviously, do not share that concept."

Meanwhile, the situation in Cuba will be discussed by the presidents today. Upon his arrival at the convention center, Ecuadoran President Sixto Duran-Ballen is asked whether or not this discussion will hinder the normal development of the summit. He replies: "This summit is not a simple courtesy meeting, but a meeting to discuss hemispheric issues." In response to a question on Castro's assertion that Ibero-America is divided, Duran-Ballen says: "no, on the contrary, it is not."

De Leon, Figueres on Castro

PA1506211094 Madrid EFE in Spanish 1705 GMT 15 Jun 94

[Text] Cartagena de Indias (Colombia), 15 Jun (EFE)—Guatemalan President Ramiro de Leon Carpio and Costa Rican President Jose Figueres stated today that they respect but do not share the opinion of their colleague Fidel Castro, who reproached the participants of the Ibero-American Summit for not saying "a single word" about the U.S. embargo against Cuba.

"I respect the opinion of President Castro, but do not agree with it, nor do I agree with his concept of what democracy is," de Leon told a group of newsmen. The Guatemalan president added that he does not feel he was recriminated by Castro at the summit. Castro also complained that the summit has not recognized the fact that Cuba is the Ibero-American country which has achieved the most in social aspects.

Asked about the same topic, Figueres responded that the Cuban president's statements "are his opinion, but not those of the other presidents," and that he respects all opinions. The Costa Rican president also said the political situations of Cuba and Haiti, which will be broached today by the chiefs of states and governments and their foreign ministers at a closed-door meeting, complicate the continent's integration processes.

Panama's Endara Comments

PA1506184294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1310 GMT 15 Jun 94

[Interview with President Guillermo Endara by correspondent Guillermo Rodriguez and Caracol News Director Dario Arizmendi in the India Catalina Convention Center in Cartagena de Indias, Colombia—live]

[Text] [Rodriguez] Mr. President Endara, good morning. It's a pleasure to greet you.

[Endara] Thank you very much. Good morning to all of you. I wish you the best. I feel very well here in Colombia. It has been very pleasant for me these last couple of days to be with President Gaviria, with Foreign Minister Noemi Sanin, two people whom I shall always remember because of the friendship they have bestowed on me and on the Republic of Panama.

[Rodriguez] I understand that the last armed soldier left the Canal Zone and that there are no longer U.S. soldiers?

[Endara] Yes, that is right, but not armed soldiers, because all soldiers are armed. The last combat soldier left. It was a combat brigade that left. That was the last combat brigade. There are soldiers left. Although they have weapons, they are not combat weapons. There are, for instance, the military police, the doctors, and other essential components.

[Rodriguez] Mr. President, undoubtedly one of the topics to be analyzed and one which is of interest here at this summit, although it is not on the agenda as the presidents said from the beginning, is the topic of Cuba, the topic of President Fidel Castro. Yesterday, in his second speech he said that if one wants to speak of democracy in Latin America, another summit like this one would have to be held in his country. What is your opinion?

[Endara] I think we are quite clear on what democracy signifies. Of course, he has declared himself to be a Marxist-Leninist, and he has another concept of democracy, which we are acquainted with after meeting people who subscribe to this ideology. Of course, we have always respected that concept of democracy, although we may not agree with that proletarian dictatorship that we believe is fundamentally undemocratic. I think there is much truth in what Commander Fidel Castro said, but there is also much truth in what was said by the presidents of Chile, Honduras, and I don't remember who else, but they all stated some truths. We envision a democracy as one in which the people express themselves through elections or express themselves through freedom of speech, manifesting total support of human rights, which unfortunately is nonexistent in Cuba. We have to discuss this with him, and I believe we will have an opportunity to do so this afternoon.

[Rodriguez] Dario Arizmendi, President Endara is there.

[Arizmendi] Greetings to the president of Panama. Mr. President, what will be the outcome of the topic raised by Cuban President Fidel Castro yesterday when he criticized precisely the rest of the Latin American presidents for not dedicating a single sentence of their 15-minute speeches to the U.S.-imposed blockade against Cuba?

[Endara] I believe the criticism was not directed against all the presidents. I believe the criticism was... [pauses] it was a very friendly criticism. I don't know if you had the opportunity to hear what he said. It was very friendly criticism. He referred especially to those presidents who referred in their speeches to freedom and democracy in Cuba. He maintains that, in addition to mentioning that, they should have mentioned the blockade, the great achievements by Cuba in social aspects, particularly in terms of medicine and education. I believe that Castro is suffering from these truths, but the presidents also mentioned other truths which is that these big social achievements must go hand in hand with what we understand as democracy and liberty, as exists here in Colombia, for instance, and in the other Latin American countries.

[Arizmendi] President Endara, do you think it is possible that the Fourth Ibero-American Summit declaration of Cartagena de Indias will include an explicit paragraph, precisely regarding the blockade against Cuba?

[Endara] I don't believe so. I believe this is a topic we are going to broach, that is if we broach it again it will be at a private meeting attended by the presidents and foreign ministers. Now that is not the only topic we are going to discuss in this private meeting. We will broach other topics, which we could perhaps mention at a given moment, but we cannot at this moment.

[Arizmendi] We imagine that the case of Haiti will also be on the agenda of that private meeting, won't it?

[Endara] I don't believe so. I cannot say that there is no country that wants to broach it, but I don't think so. This is a topic fundamentally for the OAS, and it was discussed in Belem, Brazil, only a few days ago.

[Arizmendi] Mr. President of Panama, do you think that the summits are going to be institutionalized and that this one has been more fruitful than previous ones?

[Endara] Yes, of course. I believe that one of the great achievements of the summit in Cartagena de Indias has been institutionalizing the summits. It is now taken for granted that the summits will remain as a permanent thing in our countries. The fact that we have the host countries up to the year 2001 is a clear indication of the interest in maintaining them. I think that the great achievement, the preliminary achievement of the summit of Cartagena de Indias is precisely that. The first three summits were to sound out the situation to see if they were successful. Here in Cartagena de Indias it has been proven that the summits are like one of those big trees that will flourish and have many flowers.

[Arizmendi] One last question, Mr. Guil'ermo Endara, and expressing our thanks in behalf of our program, what will you dedicate yourself to when you turn over power in the coming weeks?

[Endara] I will return to my law practice. Former presidents do not receive any pension or privilege in Panama. I think the only thing they get is a large automobile license plate, which I would rather pay for. I will dedicate myself to my law practice, which is what I have done all my life. Of course, I will not leave politics, although there is no reelection until after 10 years. Still, it is crazy to think of 10 years ahead. I will dedicate myself to my party, which is a very large and good party. As of now I can anticipate, without fear of being wrong, that in the year 1999, the Arnulfist Party, with the same candidate it had this year, Mireya Moscoso de Gruber, is going to win by a broad, a very broad margin.

[Arizmendi] Mr. President of Panama, thank you very much for being with us. We hope that the rest of your stay with us will be a very pleasant one.

[Endara] Thank you very much.

Portugal's Soares Criticizes Castro

LD1506141294 Lisbon RTP Internacional Television in Portuguese 1100 GMT 15 Jun 94

[Excerpts] East Timor has not been forgotten by the 21 Ibero-American countries. The situation in the territory will be included in the final communique of the Colombian summit.

In Cartagena de Indias the Portuguese representatives expressed an interest in greater cooperation with Latin America. Among all the speeches there was harsh criticism of Cuba and Fidel Castro from Argentina and Venezuela. Our correspondent Antonio Prata reports.

[Begin recording] [Prata] [passage omitted] Despite the friendly hug between Fidel Castro and Portuguese Foreign Minister Durao Barroso, President Mario Soares and Prime Minister Cavaco Silva did not forget the situation on the island. For Soares, without a strong democracy there will be no development in Latin America.

[Soares] In order for the legitimate aspirations and expectations of the people to materialize, it is necessary for democracy to rest on solid foundations, giving rise to a balanced and equatable economic, social, and cultural development.

[Prata] A future which already includes trade development and an open process of regional integration—a phenomenon praised by Cavaco Silva:

[Silva] Therefore, I welcome the fact that the documents of this conference advocate the principle of open regionalism which adequately represents the different processes under way in Europe and in Latin America in the area of economic integration.

[Prata] Durao Barroso also advocated this cooperation between blocs.

[Barroso] In this modern world, which some believe is moving toward a concept of blocs, it is important to maintain these links between different blocs or different groups, and to this effect Portugal, as well as Spain, has been a link between Europe and, in this case, Latin America.

[Prata] [passage omitted] It seems certain that Portugal will host the 1998 summit, probably in Oporto. [end recording]

Menem: Castro Conditions Elections on Integration

PA1606030894 Madrid EFE in Spanish 0150 GMT 16 Jun 94

[Text] Cartagena de Indias (Colombia), 15 Jun (EFE)—Argentine President Carlos Menem has reported that Fidel Castro told his Latin American colleagues he will hold elections in Cuba when this continent becomes "integrated."

At a news conference in the aftermath of the Fourth Ibero-American Summit, which ended today in Cartagena, Menem commented on the talks the presidents have held on the Cuban issue and said that in order to readmit Cuba into the OAS, this country must first return to democracy.

Commenting on the same conversation on Cuba, Colombian President Cesar Gaviria stressed the talks held with Castro and the hope for "gradual changes" on the island. However, Gaviria added the Cuban president could not be persuaded.

Menem refused to disclose what was said about Cuba during the closed-door meeting held today by the 23 leaders who attended the summit.

As for the conference declaration's last paragraph, which criticizes the "coercive" measures adopted to the detriment of some Ibero-American peoples, Menem said as soon as Cuba becomes democratic "we will exert pressure on the United States to end the blockade on the island." The Argentine president insisted "the only way Cuba can join the OAS is by establishing a democracy." However, Menem reported that the Cuban president said that "once America becomes integrated, he will hold elections to democratize the country."

As for Castro's statements, President Menem pointed out: "integration is what took place in Europe," recalling the case of Spain, where democracy arrived before being accepted into the EEC.

Meanwhile, President Gaviria stressed "we had never held talks on Cuba such as during these talks, and we all trust there will be a gradual change there; that is, we hope and expect a peaceful change to take place in Cuba."

The main issue at the news conference, also attended by Chilean President Eduardo Frei, was the same as that of the summit: Cuba. Fidel Castro was the talk of the town in Cartagena when he appeared wearing a guayabera shirt instead of his traditional army green uniform and when he angrily asked the presidents to respect his country as he respects theirs.

President Menem said today that the Ibero-American presidents are "anxious" to see democracy in Cuba, adding that that all depends on the Cubans themselves.

As for the next summit to be held in Argentina, Carlos Menem stressed he will extend an invitation to Castro, who has attended the four previous summits, and jokingly said: "Castro already sees we are indeed democratic."

As he emphasized the good atmosphere attained at the Ibero-American meeting, Gaviria pointed out the Cuban leader already speaks of "his good friend, President Menem." The Colombian president also commented on the different "positions" on the Cuban issue taken by the Ibero-American countries. However, he underscored that "the objective is the same: we all want political and economic changes in Cuba, and we all want Cuba to return to the inter-American system should these changes take place."

President Gaviria told EFE we all have tried to persuade Fidel Castro through dialogue, but there have been no "commitments" whatsoever.

Brazil's Franco Leaves After Nephew's Death

PY1506152594 Sao Paulo AGENCIA ESTADO in Portuguese 1450 GMT 15 Jun 94

[Text] Brasilia, 15 Jun (AE)—Presidential spokesman Fernando Costa announced that President Itamar Franco has been deeply shaken by the death of his nephew Ariosto Franco in Cartagena, Colombia. The president was informed early this morning that his nephew had suffered a heart attack.

Franco and the members of his entourage have canceled every appointment scheduled for today, and are preparing to return to Brazil as soon as Ariosto Franco's body is released. Franco's trip to Ecuador, which was scheduled to start on 16 June, has thus been canceled. A medical bulletin will soon be released on the death of the president's nephew.

[At 1438 GMT AGENCIA ESTADO adds that "in addition to being President Franco's private secretary," the 36-year-old Ariosto Carlos Franco "had been living with the president at Alvorada Palace."]

Menem, Gaviria Deliver Closing Summit Speeches

PA1606010794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2349 GMT 15 Jun 94

[From the "Firefly Information" newscast]

[Text] The Fourth Ibero-American Summit has just ended amid the disappointment of the international media and after the presidents rendered their laconic reports. This is what Colombian President Cesar Gaviria told his colleagues in the area:

[Begin Gaviria recording] This cannot be anything else but to advance as brothers in the [words indistinct] political, social, and economic to be able to abolish inequalities, vanquish violence.... [end recording]

He said he could not forget his fellow countrymen, the Paez Indians in Cauca and Huila Departments, who are currently suffering so much. Also, that he could not forget the solidarity of so many friendly countries as it allowed his brothers, who have been left without their dear ones and their belongings due to providence, to initiate their first steps toward a new life. This was what Colombian President Cesar Gaviria Trujillo said when he closed the Fourth Ibero-American Summit.

Argentine President Carlos Saul Menem, who was the first president to refer to Cuba at the summit, again centered his closing speech on that island's political situation. Without mentioning the Cuban president, Mr. Menem emphasized the need that Latin America have freedom as its point of departure.

[Begin Menem recording] It can be a democracy based on the presidential, monarchic, or parliamentary systems, but it must be a democracy. [end recording]

Mr. Menem said there is no conflict between the market and the state and also underscored the importance of democracy as the fundamental factor to obtain the peace required for justice and freedom to rule. He added that if he were to be asked which of the four summits he thought had been best, he would answer that this one had, the one held in Cartagena, because of the topics that had been broached, the debates, the freedom, and the organization of the summit. It was an important and impressive summit, he said. In his final words, President Menem said freedom and democracy can only be strengthened with more democracy.

Final Document Signed

PA1606000294 Mexico City NOTIMEX in Spanish 2325 GMT 15 Jun 94

[Text] Cartagena de Indias, 15 Jun (NOTIMEX)—Colombian President Cesar Gaviria Trujillo at 1820 (0120 GMT) [GMT time as received] closed the fourth summit meeting of the 22 leaders who signed the document entitled "Commerce and Integration as Element for Ibero-American Development."

The closing was delayed approximately one hour because the discussion of the last point of the final document was expanded, an official source reported.

Further on Final Document

PA1606020194 Mexico City NOTIMEX in Spanish 2329 GMT 15 Jun 94

[Text] Cartagena de Indias, 15 Jun (NOTIMEX)—The Fourth Ibero-American Summit of heads of state and government, which has been meeting in this Caribbean city since Tuesday, today issued a final document in which it stresses its support for integration processes.

The document supports the integration processes "in the context of open regionalism" and rejects the restrictive free trade practices implemented by several governments to the detriment of the people. The summit conclusions are recorded in a two-part document: a first section entitled "Commerce and Integration as Elements in Ibero-American Development" and a second part that includes evaluations and proposals.

The text mentions that the reactivation of international commerce is basic to accessing equitable economic and social development and, for this reason, it condemns all policies for further protectionism or measures that limit freedom in international commerce.

The "Recommendations" chapter calls for "the elimination of restrictive commercial practices" as well as "the abusive and distorted use of commercial protection measures and tariff barriers" that limit free commerce. It is necessary to eliminate "unilateral coercive commercial and economic measures which hinder the possibility of freely developing international commerce and which damage the living conditions of the Ibero-American people," it adds.

This recommendation has been interpreted as a "clear censure of the blockade the United States has imposed on Cuba for the past 34 years" and which has been maintained after the end of the Cold War, diplomatic sources have asserted.

The conclusions manifest the need to support "the gradual convergence and complementariness of the different integration projects" to overcome differences and to take advantage of the potentials afforded by the economic opening.

The document also urges the defense of the environment "as an essential factor to the well-being of the population" and also calls on avoiding the use of ecological measures to further protectionism.

The fourth summit supports the "promotion of environmental policies as factors that will further the development of international commerce" as it will allow access to appropriate technologies and the flow of fresh financial resources to increase job opportunities.

The document proposes that the role of the state be redefined to enable governments to concentrate efforts on strategic areas for the benefit of the population. The document considers that the macroeconomic advances must be used to provide the resources for health, justice, education, infrastructure, and to "program an equitable social development."

It proposes the furtherance of actions that will strengthen or foster ties between nations and integration processes with the support of "citizen participation." "Europe has become Latin America's second leading commercial partner and Latin America is the first market for EU investments" and that is why "we must strengthen relations between the two areas," it adds.

The Fourth Ibero-American Summit of heads of state and government which ends this afternoon, sets new directions in regards to relations between the participant countries and the current objective is to increase commerce and consolidate the integrationist processes, the document points out.

Report Notes Conclusions of Summit

PA1506234594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2219 GMT 15 Jun 94

[Report by Guillermo Rodriguez]

[Excerpts] The Fourth Ibero-American Summit is about to end. Here are some of the conclusions: Firm steps have been taken for a commercial integration between Colombia and Central America. This means in the next few years we will be able to place our goods and services in those countries, paying less taxes. Second, Latin American unity has been reaffirmed. Third, Cuba's strongman, Fidel Castro, became upset and annoyed because he did not get a resolution of support from Latin America condemning the U.S. economic blockade against the island. [passage omitted]

President Cesar Gaviria Trujillo has said the agreements reached during this fourth summit will be documented. He said: We will strengthen those agreements, and the OAS will be a good venue to carry out strategies to promote investments and trade as measures to combat poverty.

A few minutes before the closing ceremony, the Paraguayan Government proposed the creation of a Latin American institution of credits for exports, the main objective of which will be to facilitate insurance coverage of commercial risks derived from export operations among those countries; to offer protection against political risks in commercial transactions; to create an instrument for the progressive unification and integration of Ibero-American financial systems; and to constitute an additional factor of discipline and regional commercial fairness.

For UNICEF, the most positive aspect of the Fourth Ibero-American Summit has been the interest shown by all the presidents meeting here to put economic models at the service of society, the individual, and human beings. [passage omitted]

Foreign Ministers To Meet in Bogota 6 Aug

PA1606033894 Hamburg DPA in Spanish 1555 GMT 15 Jun 94

[Text] Cartagena de Indias (Colombia), 15 Jun (DPA)—The organizers of the Fourth Ibero-American Summit of chiefs of state and government, currently taking place in the Colombian city of Cartagena de Indias, have announced that a new Ibero-American summit, this time of foreign ministers, will be held on 6 August in Santa Fe de Bogota.

The objective of this new meeting is to develop a suitable mechanism to follow up the Ibero-American agenda, which is currently delineating new commercial integration and social development strategies to be included in the document that will be released at the closing of the presidential meeting.

The chiefs of state and government, who are currently meeting at this Caribbean seaside resort, will officially convene this new meeting of foreign ministers.

The new summit will entrust the 22 Latin American, Caribbean, and Iberian foreign ministers with the preparation and disclosure of suggestions for the Santa Fe de Bogota foreign ministers meeting, which will take place the day before the inauguration of the new Colombian president who will be elected on 19 June.

Reporters, Castro's Bodyguards Exchange Blows

PA1506211294 Madrid EFE in Spanish 1642 GMT 15 Jun 94

[Text] Cartagena de Indias (Colombia), 15 Jun (EFE)—More than six of Cuban President Fidel Castro's bodyguards had to cram into a station wagon today to flee a

group of reporters, who were seeking an explanation as to why the bodyguards had earlier attacked several cameramen.

Reporters and bodyguards exchanged strong insults and even a few blows while the Cubans' station wagon quickly pulled away amid jeers from the reporters. The reporters had tried to film and interview the bodyguards after they attacked a group of cameramen who tried to talk with Castro at the entrance of the Hilton Hotel in Cartagena, where guests attending the Fourth Ibero-Ameican Summit are lodged.

The incident started when Nicaraguan President Violeta Chamorro stopped to make statements at the foot of the stairs, which were being descended by the heads of state who had just held a number of bilateral meetings before the second session of the summit. At that moment, one of the television reporters brought a microphone close to Castro, who was waiting behind Chamorro, but Castro's bodyguards reacted violently, and, according to eyewitnesses, a fracas ensued, first with an exchange of insults, then blows.

From amid a maelstrom of Cuban security agents and reporters, one Argentine cameraman shouted in anguish: "You must not hit reporters. You must not hit reporters." The incident took place in front of several astonished and concerned presidents, foreign ministers, and Colombian officials.

When the situation calmed down and the presidents left for the Cartagena Convention Center, the reporters went looking for the bodyguards and chased them down—cameras and microphones in hand—in the vicinity of the Hilton. Finally the group of bodyguards, some of whom were accused of having caused similar incidents at previous summits, hastily got into a station wagon amid shouts of "This is not Cuba; reporters are respected here."

Reporters covering the Ibero-American Summit have encountered difficulties because of security measures that have been described as excessive. On Tuesday, they complained to the Colombian authorities who, nevertheless, refused to modify the strict rules concerning access to the leaders.

Report on Heavy Security Surrounding Summit

PA1506131294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 14 Jun 94

[From the "National Newscast"]

[Text] To ensure protection for the visiting heads of state and delegations, the Colombian military have joined in a single strategy and are receiving support from everyone in the country. For example, 50 escort motorcycles arrived from Santa Fe de Bogota, and a month ago, for greater tranquility, the Colombian military met with the heads of security for each of the visiting presidents. The last preparations for the security plan resulted from these meetings. Even though the plan was for the city not to appear to be militarized, it is impossible to camouflage the work being done on the ground, in the air, and on the water by the 3,000 men who are responsible for ensuring the safety of the visiting heads of state.

Cuba

Castro Speaks at Afternoon Summit Session

FL1506142094 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Jun 94

[Report by correspondent Demetrio Villaurrutia from Colombia]

[Text] Our commander in chief's first address during the 14 June morning session of the fourth Ibero-American summit was followed by another. This was a closed-door session held at the Convention Center. The address came during a debate regarding democracy in Latin America, which included a clear reference to Cuba. Brazilian President Itamar Franco then stated that the only way Latin American peoples can help is by joining efforts in supporting Cuba and its reintegration into the OAS. This motivated Fidel to speak and I believe it is important for all our listeners throughout Cuba to listen to his words.

[Begin Castro recording] I want to—since my country, Cuba, has been mentioned repeatedly by several of the speakers—first of all give thanks to those who care about Cuba. I can feel a sincerity in what they have said. This is why I have applauded each one. I know that at times when I speak, some do not applaud. That is fine. I respect that. I believe this is a democratic thing and each has to do what they believe is pertinent. I have applauded everyone, some more enthusiastically than others. From everyone I have truly felt—and I thank you for it—a concern about Cuba.

It caught my attention, however—this is why I appreciate so much President Itamar Franco's gesture—that not a word has been said about the unfair, criminal, and inhuman blockade which for over 30 years has been imposed against Cuba; the largest ever blockade in the history of a Latin American country with which no dialogue is sought. What is sought is to smother Cuba in blood and make it surrender by hunger. This is the reality.

I would have liked to hear, within that Latin American spirit, some reference to this. I believe our people also deserve commendation if we keep in mind the heroism, firmness, and dignity with which they have resisted for over 30 years the U.S. blockade and aggression. Later on, we were left alone. Many, when left alone, surrender. Yet we have not surrendered. We have continued fighting because we are aware that we are defending the dignity, sovereignty, and independence of the peoples of Latin America. This is, precisely, what Marti wanted with Cuba's independence.

It amazes me that not a word has been said to the effect that Cuba is the country which has advanced the most socially in the history of this hemisphere. We have done so much that I believe we have done more than what was possible. Not a single word has been said, as we speak about the social crisis in this hemisphere and so many closed schools, to the effect that our country, subjected to a double blockade, has not closed a single hospital, a single school. It has not abandoned anyone. Our country, even under the most difficult conditions, has struggled and resisted.

In a hemisphere, which as you know well, whatever our current, present, or definitive—as you will—accomplishments may be, which please me to no end-....[pauses] We know, however, that this hemisphere where we all live has the worst distribution in the whole wide world by far. I am talking about our region, with exceptions, of course, in certain countries. This is the region with the worst distribution of national income in the world and where so much remains to be done. Yet, not a single word is said about it.

It also surprises me that not a single word has been said about the joint position which we should present at the notorious Miami summit. This is very important, vital, and looming close.

Finally, I would like to state that I respect your views. I sincerely respect your thoughts, concepts, and ideas about democracy. We should hold a summit to discuss what is democracy and what is meant by people's participation; what does it mean that millions of people die in this hemisphere every year from disease and hunger, millions who could be saved. It is our duty to think about all of this if we are democratic, if we are human.

We have our ideas and views on democracy and do not feel ashamed of them. With these views we have resisted and struggled for 35 years. I believe the blows we have endured during these 35 years—we cannot forget history—since we were first blockaded, way before the declaration of the socialist character of the Revolution, when we were blockaded and our sugar quota was apportioned among all ....[pauses] Cuba was left practically alone with the highly noble exception of Mexico which maintained ties and relations with us. I respect everyone's views. I believe that if we are to speak about democracy, we have to speak of a multiplicity of views and opinions. I ask that our views be respected in the same manner that we respect yours. This said, I thank you once more for the concern you have expressed regarding Cuba. Thank you very much. [applause] [end recording]

Meets With Honduran President, Others

FL1506233494 Havana Radio Reloj Network in Spanish 1932 GMT 15 Jun 94

[Text] The heads of state and government from the 21 nations of Ibero-America began the second and last day of their fourth summit behind closed doors in Cartagena de Indias, Colombia. The leaders all arrived this morning at the convention center by bus, except for Spanish President Felipe Gonzalez, who arrived in his own car, and posed together for the official summit picture.

Cuban President Fidel Castro, who this morning held a meeting with his Honduran counterpart, Carlos Reina, again appeared with a white guayabera and dark blue slacks, after surprising everyone yesterday, since it had been the first time he was seen without his uniform since the armed struggle began in Cuba in 1956.

Yesterday, the Cuban leader met with Felipe Gonzalez and tomorrow, he is scheduled to meet with Eduardo Frei. He had already met with Mexican President Carlos Salinas de Gortari in Havana.

During today's meeting, the last of the Fourth Ibero-American Summit, the presidents expressed their opinions in complete privacy on the central issues of the meeting, trade and integration, and will be able to freely discuss any other issues they wish.

It is expected that an important part of the discussion will center on Cuba, after Cuban President Fidel Castro lamented the fact that there had been no declarations against the blockade during yesterday's meeting.

On the other hand, Cuban Foreign Minister Roberto Robaina denied that our country was disappointed by the developments of the Fourth Ibero-American Summit. Robaina was interviewed by the media this morning and questioned on the lack of pronouncements on the U.S. blockade on Cuba, to which Robaina replied: We have no reason to be disappointed [words indistinct] on the debates regarding the blockade.

Summit Participants 'Perplexed' by Castro's 2d Speech

FL1506145794 Havana Radio Reloj Network in Spanish 1400 GMT 15 Jun 94

[Excerpt] The Cuba issue is apparently the main course today during the second and last day of deliberations at the Fourth Ibero-American Summit, which is currently under way at the seaside resort of Cartagena de Indias, Colombia. Before the conference, the media and one or two leaders repeatedly referred to the island—mostly in an insidious way—it was reported by a PRENSA LATINA news agency report.

During the summit's inauguration, once the speeches before the plenary session had concluded, Cuban President Fidel Castro demanded—in a second speech—respect for his country and recognition for the people given their tenacious resistance to the U.S. blockade.

The Cuban leader's surprisingly strong reaction perplexed most of the participants at the Cartagena de Indias meeting because they were suddenly confronted with a reality that cannot possibly be ignored, even if they tried to. [passage omitted]

Anticipated Final Document Termed 'Positive'

FL1506150494 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Jun 94

["Our Opinion" commentary by Orlando Contreras from the "Doing Radio" newscast]

[Text] The Fourth Ibero-American Summit concludes today with the approval of a final document which undoubtedly has defficiencies, but nevertheless recognizes the need for joint effort in the economic integration sector. The document must also mention the need to improve the balance between nations with higher and lower levels of development, and in the social sector, it must insist that economic development is incompatible without its social counterpart.

To be honest, in a continent where neoliberalism is still in style, some of the ideas of neoliberalism are included, tempered with a list of some of the urgent social needs which afflict a majority of the 500 million human beings who live in countries of Iberian descent.

Because we do not know the final version of the document, we will not venture an overall analysis of the same. Fidel defines our position in a brief speech. Cuba does not reject foreign investment or some economic market mechanisms adapted to our national needs, but it believes that financing for development is insufficient.

Cuba also emphasized there are no definite solutions for the increase in Latin America's foreign debt. Cuba was the country to establish a clear position concerning the summons issued by the United States for a hemispheric summit—with a cowardly exclusion in our case. The summit will be held in Miami in December this year. Cuba does not oppose this meeting if it really lets Latin America establish its legitimate positions before the northern metropolis, but it rejects any attempt by Washington to use the summit as an anti-Cuban forum or as a mechanism to increase Washington's hemispheric rule in the subcontinent's economic and social areas.

According to what we have learned and what special envoy Demetrio Villaurrutia has reported, the summit's final document, to be signed by the heads of state and government today at Cartagena de Indias, must demand the elimination of economic measures which negatively affect the free development of international trade and are detrimental to the lifestyle of Ibero-American peoples, in a much clearer allusion to the U.S. blockade against our country. This is an unprecedented action compared to previous summits.

We may recall that the final document for the last summit, the one held at Salvador de Bahia, endorses the decision adopted in other forums concerning problems, meaning the unfair blockade suffered by our country. This time there is a statement that is much more attuned to reality even though the term blockade is not mentioned. In essence, the final document of this fourth summit is not an ideal document that faithfully reflects

the problems which afflict us as Latin Americans and Caribbeans, or urgently needed solutions. It is a position of consensus in favor of integration, however. In this concern, it is positive.

Commentary on Castro's Attire, Stand at Summit

FL1506215694 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 94

[Unattributed commentary]

[Text] Undoubtedly, clothes do not make the man. This can be confirmed by those who, yesterday, applauded when they saw the Cuban president arrive at the Fourth Ibero-American Summit with a smile on his face and looking slim. It would take less than an hour to thwart all the conjectures concerning the clothes worn by the leader of the Cuban Revolution. For the first time, he abandoned his olive green uniform to wear a typical Cuban guayabera.

His firm and courageous words, as on previous occasions when he stood at a national or international podium, dashed the assumptions of those who believed the change in attire indicated the Cuban position was crumbling. His direct, profound, accurate speech concentrated on denouncing the evils that afflict our America and those responsible for so much sorrow and poverty. He is the same Fidel—profoundly Latin American, defender of the poor and disenfranchised, a courageous fighter against causes, or anything that obstructs Latin American development.

If there is any other possible interprepation for the clothes he wore at the Fourth Ibero-American Summit, it would be only that the guayabera is an article of Cuban clothing; it is in great taste; it was created near the Yayabo River; and its wear has become mandatory among Latin Americans. Therefore, it is another symbol, another part of our roots on which we stand in this hour.

Group Enters Chilean Consulate in Havana

PA1506165894 Madrid EFE in Spanish 1547 GMT 15 Jun 94

[Excerpt] Havana, 15 Jun (EFE)—According to consulate sources, an undetermined number of Cubans entered the Chilean Consulate in Havana today. Chilean Consulate sources also told EFE that diplomatic officials are meeting at this time and have no information to offer on this matter. The time and method used by the Cubans to enter the consulate have not been disclosed.

Recently, Cuban authorities have reinforced police security around most embassies and a number of diplomatic residences in Havana. Neighborhood residents told EFE that several police vehicles and a group of policemen have cordoned off the streets around the building, which is located in Miramar neighborhood. [passage omitted]

[Madrid EFE in Spanish at 1610 GMT on 15 June carries a related 250-word, Santiago-datelined report that adds: "The Chilean Foreign Ministry has confirmed that an undetermined number of Cubans entered the Chilean Consulate in Havana today."]

Commentary on Nixon's Book on U.S. Blockade, Cuba

FL1506211094 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 94

[From the "National Radio News"]

[Text] The newspaper EL NUEVO HERALD today published an extract of the last book written by former U.S. President Richard Nixon, who passed away on 22 April. In his book, "Beyond Peace," the ultraconservative statesman, who was an enemy of the Cuban Revolution, expounds on his theory about the policy that should be followed by the United States regarding Cuba and discusses the blockade issue.

We give details of journalist Marco Castellon's commentary on this issue in "Doing Radio":

[Begin Castellon recording] In his book, Nixon recommends the separation of political and economic relations with Vietnam, allowing each to develop at its own pace. Although he recognizes differences between the Vietnamese reality and the Cuban reality, he encourages something similar concerning Cuba.

In Cuba's case, former President Nixon says a considerable part of the pressure to maintain the embargo is derived from the old belief, particularly among many members of the exiled Cuban community, that it is the best way to put an end to what he terms the cruel and destructive Castro regime. Therefore, he leaves no doubt about his position concerning the Cuban process.

He nevertheless recognizes that, following the Soviet Union's collapse, economic conditions on the island worsened; and after 35 years of Fidel Castro's government, hardliners who oppose him have not been able to destroy him. Therefore, he says it is time to change the goal sought by the North American policy, from trying to harm the Cuban Government to helping the people because, Nixon thinks, it is highly unlikely the island will become a subversive threat in the hemisphere even if the Cuban economy improves.

This means the economic embargo should be lifted to permit trade, investments, and economic interaction between the United States and Cuba. He insists, of course, that ideas and information be allowed to flow as freely as products. [end recording]

Raul Castro Letter Marks Western Army Anniversary

FL1506130194 Havana Radio Rebelde Network in Spanish 0900 GMT 15 Jun 94

[Text] Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces [FAR], has chaired [as

heard] the ceremony marking the 35th [as heard] anniversary of the creation of the Western Army. The ceremony was held at the Playa Giron Fighter Brigade in San Antonio de los Banos, Havana. During the ceremony, Division General Nestor Lopez Cuba, chief of the FAR political directorate, read a letter of congratulations from Raul in which he acknowledged that they have satisfactorily fulfilled complex and important missions for three decades. The letter praises the fact that the Western Army has had significant participation in important tasks such as internationalist missions in Angola and Ethiopia, supporting the food program, and preparing the theater of operations, among others.

Thermoelectric Plant Tests Begin Following Repairs

FL1506171494 Havana Radio Reloj Network in Spanish 1400 GMT 15 Jun 94

[Text] The Carlos Manuel de Cespedes Thermoelectric Plant in Cienfuegos has begun tests to start its machinery after almost 60 days of extensive repairs to Unit No. 2. Specialists from the Carlos Manuel de Cespedes Thermoelectric Plant reported that the work was satisfactorily carried out, which consisted of mainly a complete overhaul to the boiler, auxiliary equipment, and the pump. The most complex work carried out at the plant involved cleaning the sea water intake canal for treatment of the Czech units.

Once maintenance work has ended at the Carlos Manuel de Cespedes Thermoelectric Plant in Cienfuegos Province, all efforts will be entirely dedicated to repairs at Unit No.1—currently underway—for its subsequent synchronization with the system by year end.

Water Plant Breakdowns To Affect Municipalities

FL1506222494 Havana Radio Reloj Network in Spanish 1941 GMT 15 Jun 94

[Text] On Thursday, between the hours of 0500 and 1800 local time, the water supply of several municipalities in the capital will be affected by breakdowns at the water treatment plant. The Havana City Waterworks Directorate advised that the areas affected will be: Regla, with the exception of the El Modelo neighborhood; Alamar; Camilo Cienfuegos; the Panamerican villas in La Habana del Este; the rum and yeast factories; the El Lucero cream plant; the Rene Ramos technological center in Aroyo Naranjo; the Villa Maria neighborhood, Guanabacoa; the Vista Alegre neighborhood, Diez de Octubre; and the San Miguel del Padron area. The waterworks directorate encourages residents to store water until service is restored.

'Straight Talk' Debates Agriculture Reorganization

FL1506153294

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 14 June carries a 15-minute edition of its regularly scheduled "Straight Talk" program, with Eloy Concepcion, from TRABAJADORES magazine, and host Osvaldo Rodriguez, from BOHEMIA magazine.

Rodriguez opens the debate by stating that the new agriculture organizational structure does not rely on the creation of the new Basic Cooperative Production Units [UBPC] alone. Rodriguez explains that the structure consists of individual farmers, farming cooperatives, Youth Labor Army [EJT] farms, in addition to a number of state enterprises.

Concepcion states: "Given the current conditions, it would be foolish, or ill-intentioned to expect to be able to fully supply the population with agricultural products overnight by grace of the Holy Spirit."

He goes on to explain that the shortage of resources has naturally resulted in a drop in agricultural yields, and adds: "The Cuban economy is still being dragged down; it carries a number of deficiencies; it makes a number of mistakes which I believe we are beginning to solve. They are well known, but are not foreign to the general national situation, namely, the excess of circulation which distorts the entire production, price, and commerce system. The second problem which I believe is vital and decisive is the enormous bureaucracy, which in a subtle and merciless manner limits initiative and development. It seems to me that Cuban agriculture faces a challenge. Given the current shortages and lack of supplies, spare parts, and equipment, the goal is to definitively break free from bureaucratic methods, centralized planning, state enterprise control over the UBPC, and the entire mechanism of paperwork and bureaucracy which determines where, how, and when to plant."

Rodriguez explains that the workers of the UBPC have to realize that they are in charge of production, not the state enterprise. He adds: "The best man was not always selected to head the UBPC. I believe that at times, the enterprise forced the selection of the worker in charge of the farm who was not the best suited in every case. The workers elected him, that is true, in a democratic manner, but we all know how this type of vote works when it is not done by secret ballot, and when, additionally, the process is not conducted properly."

Concepcion adds that autonomy is the key issue and limited only by the goal to supply the state with products. He adds: "The enterprise is a corpse; it has to disappear in terms of its previous and current functions, either that, or eliminate the provincial office of the Agriculture Ministry. One of the two is redundant in this type of structure. In agriculture, the decision levels must lie with the farm where the expertise lies."

Rodriguez and Concepcion go on to discuss the accomplishments of the EJT [Youth Labor Army] farms and the importance of workers welfare programs in order to motivate production.

Concepcion goes on to state: "Cuba has an army which has not needed to, nor would it ever, go around repressing the people. It has an army that has the virtue

of being one with the people but is also an army that works to provide more food for the people. I believe this is the greatest merit of our army, of the Revolutionary Armed Forces of which the EJT is part."

After further praising EJT efforts in agriculture, Concepcion adds: "We see images of repressive forces in the streets hitting the people during protests. Cuba is among the few countries in the world, I say this free of any chauvinism, where we do not see the armed forces using tear gas to repress the people. The image we see is that of our soldiers working the plantain crops, producing, harvesting potatoes, etc. I believe this is part of our pride as Cubans and also our independence."

Rodriguez closes by praising EJT efforts to reduce costs.

Haiti

Aristide on Embargo, Need To Remove Coupists

PA1506221494 Santa Fe de Bogota EL TIEMPO in Spanish 12 Jun 94 p 16A

[Report on interview with deposed President Jean-Bertrand Aristide by correspondent Carlos Agudelo in Washington; date not given]

[Text] Jean-Bertrand Aristide is a small man with a slight build, which at first glance veils the intense intuition he expresses through his statements. One immediately becomes aware of the great humility of this man, a main player in an international drama. This humility is mixed with a sense of confidence and conviction, a product of years of intense internal as well as external struggle.

In a low but firm voice, he methodically expresses the hope that someday, ideally soon, he will be able to return as president of Haiti, and that his return will be accompanied by democracy.

[EL TIEMPO] As you know, Colombian President Cesar Gaviria was elected OAS secretary general as a result of, among other things, Haiti's vote. How do you perceive the OAS' participation in the situation in your country?

[Aristide] What is taking place in Haiti goes much further than national borders and directly touches the soul of the continent. The OAS has a critical role to play, and so far, it has fortunately played a very positive role. There must be a political willingness and a commitment for reestablishing democracy, however. This is not easy because the OAS is not an institution with the prospects and freedom to force the coupists into honoring what they said they were going to do in the Governors Island Agreement.

Along with this, we are in a race against time because each time sanctions are strengthened more strains are placed on the Haitian people.

[EL TIEMPO] Do you have an agenda for resolving the situation, and what steps do you believe should be taken?

[Aristide] The entire world is certainly more powerful than the coupists. And yet, there still is no political willingness because if an embargo existed, the wait would have been shortened. As long as we continue to move along with an embargo that is not a complete embargo, suffering is going to continue for long time.

The presence of ships could be used to transmit messages on short and medium-wave radios to communicate with soldiers, poor people, students, and liberal Haitian citizens. We should give them the necessary information to unite and recover the security that prevailed in the country for seven months. During that time, refugees did not flee from Haiti; we fought poverty and human misery, and we worked with dignity. Democracy is built through the people and by respecting human dignity.

[EL TIEMPO] Do you still believe it is necessary to remove the Haitian military leaders in an effort to find a solution?

[Aristide] That is the only way. The coupists are holding the Army and the country captive. In Haiti, there is one soldier for every 1,000 Haitians, while there is only one doctor for every 10,000 Haitians. Less than 1 percent of the population owns more than 45 percent of the nation's wealth. This is why we have an illiteracy rate of 85 percent.

Because of this situation, the population understands the need for an embargo. Even though they have seen that the Army is making money from the embargo, they are still demanding the implementation of a complete embargo because they know that sooner or later the coupists will have to do something about it.

[EL TIEMPO] Is it true that the military leaders who are in power are drug traffickers?

[Aristide] Are you asking me if they are drug traffickers? (Aristide laughs) More than $1.2 billion enters Haiti from drug trafficking, which represents a danger for Haiti and for the United States. If we want to protect the families in both countries, we must remove the traffickers who are in power.

[EL TIEMPO] What is your opinion regarding the current situation in the Dominican Republic, and how could Balaguer's possible reelection change this?

[Aristide] I believe we must talk to the Dominican Republic on how to enforce the sanctions. If the United States categorically expresses its political willingness to respect the agreements, and if the UN and the OAS do the same, I do not believe there will be any problem for that country in applying the sanctions.

[EL TIEMPO] Do you still consider the Governors Island Agreement the basis for a resolution to the crisis?

[Aristide] Yes, because it has not yet been complied with.

[EL TIEMPO] Would you support military intervention in Haiti?

[Aristide] This would be problematic because Haiti's Constitution prohibits military intervention. The Governors Island Agreement, however, contains provisions for the presence of international observers to help reconstruct the country, separate the police from the Army, and create a fair legal system, one without impunity. This would have to be done with international cooperation.

[EL TIEMPO] Some sectors of the U.S. Congress have tried to discredit you by claiming that you are mentally unstable. How do you view this position by the U.S. right?

[Aristide] First, I have a psychology degree and I understand quite well what tarnishing a person's reputation entails. Second, it would only take reading my three books to know my beliefs well. Third, a racist policy and a cynical attitude prevails in the United States. When Haitians and Cubans are on the same boat, as I have seen on television myself, Cubans are allowed to continue while Haitians are turned back. This is a racist policy.

[EL TIEMPO] Considering that you do not have a majority in the Haitian parliament, do you believe that conditions exist to build a coalition that would enable you to govern if you are indeed returned to power?

[Aristide] That I do not have a majority in the government cannot truly be asserted. Two-thirds of the Senate and more than 30 deputies attended a conference we organized in Miami. More than 65 percent of Haitians voted for me, and they are still committed to such a degree that 31 months after the coup d'etat, they are still demonstrating. In this context, I believe that currently more than 65 percent of the population supports the democratization process.

In the parliament, there is a majority that cannot voice their opinion because they have rifles pointed at their heads. Many members of parliament have gone into hiding in order to survive. In this sense, it is the power of the coupists' weapons that rules the country. I am convinced that once the coupists withdraw, we will free the Army and the country and create unity and justice.

[EL TIEMPO] Some people view you as part of the problem rather than part of the solution. Have you considered the possibility of withdrawing from the process to facilitate a solution in Haiti?

[Aristide] This view is part of that cynical attitude. The truth is that after 31 months, currently more than 65 percent of the population is still fighting for the return of democracy. With this in mind, our fight is irreversible. We believe in humanity and surrendering would be a lack of respect for those who sacrificed their lives.

U.S. Pressures French, Dutch To Suspend Flights

FL1506191694 Port-au-Prince Signal FM Radio in Creole 1130 GMT 15 Jun 94

[Text] The United States is putting pressure on the French company, Air France, and the Dutch company, ALM, to suspend their flights to Haiti. The U.S. Government is putting tremendous pressure on the French Government to order the suspension of Air France flights. Otherwise, its planes will not be authorized to land in the United States, reliable sources have reported. ALM might suspend its flights as of 23 June because of U.S. threats, our sources further report.

Army Source: 'No Disagreement' Between Cedras, Francois

FL1506194994 Port-au-Prince Signal FM Radio in Creole 1130 GMT 15 Jun 94

[Excerpts] Following statements made over the radio by Evans Francois, brother of Lieutenant Colonel Joseph Michel Francois, the latter advised the public in general and the Haitian Armed Forces members in particular that his brother's position in the capital does not bind him. [passage omitted]

We are advising you that as early as the afternoon of 14 June, Signal FM pointed out that a meeting had taken place among Haitian Army officials, following statements by Evans Francois. There is no disagreement between General Raoul Cedras and Lt. Col. Michel Francois, according to sources close to the high General Staff, which was contacted by Signal FM. The head of the Army and the head of the Port-au-Prince police force were to meet on the afternoon of 14 June to establish their position. Michel Francois presented his stance following Evans Francois' statements made in the Dominican Republic: According to sources, Lt. Col. Francois does not wish to criticize the behavior of the Army chief, who kept his post after the signing of the Governors Island agreement.

It should be noted that according to reports, Evans Francois, brother of Lt. Col. Michel Francois, the Port-au-Prince police chief, wrote to Haitian Army Commander in Chief Gen. Raoul Cedras to ask him to resign. Evans Francois, who was speaking from the Dominican Republic, occupies a diplomatic post for the government of Attorney Emile Jonassaint. [passage omitted]

Police Chief Affirms Support for Cedras

PA1506164494 Paris AFP in Spanish 1406 GMT 15 Jun 94

[Text] Port-au-Prince, 15 Jun (AFP)—Lieutenant Colonel Joseph Michel Francois, chief of police in the Haitian capital, confirmed last night his loyalty and support for Army Commander General Raoul Cedras.

The chief of police also issued a communique condemning the position of his brother Evans, who, yesterday in Santo Domingo, demanded the resignation of Gen. Cedras to avoid a U.S. invasion of Haiti.

Evans Francois, a former diplomat who claims to be one of the masterminds of the 30 September 1991 coup d'etat against President Jean-Bertrand Aristide, also said he fears for the life of his brother.

Lt. Col. Francois Not Bound by Brother's Stand

FL1506174394 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Jun 94

[Excerpt] Lieutenant Colonel Joseph Michel Francois has reacted to the statement made by his brother Evans Francois on a sister radio station. Lt. Col. Joseph Michel Francois informs the public in general and the members of the Haitian Armed Forces [FADH] in particular that his brother's stand does not bind him in any way. Fear or any other emotions engendered by some foreign threat do not exist and will not exist in him, Lt. Col. Joseph Michel Francois points out. This is why he reproves the unpleasant and untimely statements made about his chief, statements that reflect on the institution to which Lt. Col. Francois belongs and on his country, which need the solidarity and unity of all its sons in these stormy times. [passage omitted]

Further on Evans Francois Letter to Cedras

FL1506185994 Port-au-Prince Radio Metropole in French 1045 GMT 15 June 94

[Text] The news is the open letter from the brother of the Port-au-Prince police chief to General Cedras. Mr. Evans Francois, who is in charge of a diplomatic mission in Santo Domingo, made some statements regarding the current juncture and condemned the handling of power since 30 September 1991. Mr. Francois, who demanded the resignation of Gen. Raoul Cedras, considered that the threats of intervention in the country are very serious. Here is a report on his statements:

[Reporter Renois] It was from Santo Domingo, the capital of the Dominican Republic, that Mr. Evans Francois wanted to reveal the content of his letter addressed to Gen. Raoul Cedras. The brother of the Port-au-Prince police chief seems to have taken very seriously the threats of intervention weighing on Haiti.

Considering that the threats were very imminent, Mr. Evans Francois invited Gen. Cedras to make the gesture that the whole country and the Army are expecting from him, in order to prevent, he says, the national soil from once more being stained.

He gave the guarantee that Colonel Michel Francois was ready to make some concessions in the nation's interest. Calling the entourage of Gen. Cedras a jungle gathering of professional crooked dealers, Evans Francois accused Cedras of hamstringing all the governments since 30 September 1991. Regarding the government of Judge Emile Jonassaint, Evans Francois revealed that most of the members of this government were chosen by Gen. Cedras himself.

Furthermore, he reproached the Army commander in chief for not having agreed to resign in exchange for the lifting of the embargo as was officially promised by the American Government.

While recognizing that he was one of the authors of 30 September 1991, Evans Francois recognized that the coup d'etat has not been managed to the benefit of the nation and asked how many Aristides have we created since 30 September? Finally, Mr. Evans Francois showed great concern for the life of his brother, the police chief. Because of his naivete, his loyalty, and his respect for the hierarchy, he risks being eliminated following the example of Col. Jean-Claude Paul, says Evans Francois, specifying that the maneuvers had already started. Here is an excerpt of this letter from Mr. Evans Francois, addressed to Gen. Cedras:

[Begin Francois recording in progress] ... Make the gesture that the Haitian Armed Forces, all the Haitian social strata and the whole world, expect from you to safeguard the nation and the only institution that we have left. Only God knows how many concessions Col. Francois is ready to make in the framework of safeguarding the superior interests of this small nation. I would ask you, Mr. General, to behave honestly toward this young officer who, because of his naivete, his loyalty, and his respect for the hierarchy risks being eliminated, following the example of Col. Jean-Claude Paul. The maneuvers have already begun.

Mr. General, I, Evans Francois, who have always held up the country's prestige in the Dominican Republic as well as in Washington and the Bahamas, as a diplomat in charge of defending the interests of my compatriots in strict regard for the norms ruling international relations, have decided to address you this open letter, at this watershed where my country's sovereignty is threatened by the most powerful nation in the world, when the precarious life of the officers, noncommissioned officers, soldiers and their families, after being seriously affected by this embargo wrongly managed, are now in danger with the application of new sanctions due to your stubbornness, your ties to power, your greed, and your irresponsible and ambiguous behavior. On 30 September 1991, you made a democratic correction. In June 1993, you supported the parliamentary act recognizing Aristide as president. On 3 July of the same year, you signed, on Governors Island, the agreement affixing 30 October for the return of the president in exile and [word indistinct] your anticipated retirement. You always fought with your reserved tactics, the constitutional government of Robert Malval until you replaced it with the Jonassaint government which was installed under the conditions known by everyone. [end recording]

Provisional Foreign Minister Reconfirms Vatican Accord

FL1506215394 Port-au-Prince Radio Metropole in French 1600 GMT 15 Jun 94

[Text] Is there an agreement between the Vatican and the Jonassaint government for the supply of food aid to Haiti? Confusion continues regarding the signing of this agreement.

The Vatican denied this information, while the minister of foreign affairs of the provisional government asserts that this agreement had been signed with a Vatican representative, and that the 75 tons of wheat which were promised will arrive in September. Rothschild Francois filed a report:

[Begin recording] [Francois] There is still confusion regarding an agreement that was reportedly signed between the Vatican and the Jonassaint government for a supply of wheat to Haiti. After the government in Port-au-Prince announced this information at the beginning of the week, the Vatican authorities formally denied the news on Tuesday [14 June]. The Vatican spokesman, Joaquin Navarro, asserts that no Haitian political representative was received in the Holy See.

In Port-au-Prince, the minister of foreign affairs of the provisional government confirms the signing of this agreement with a Vatican employee. In an exclusive interview with Radio Metropole, Charles David specifies that the 75 tons of wheat, worth U.S. $35 million, would arrive in Port-au-Prince in September.

Mr. Minister, did you really sign this agreement?

[David] Certainly I signed this agreement. I do not wish to enter a war of denial which seems to nourish subtleties of Vatican diplomacy. I agreed to talk to you. I do not intend to hold a news conference or to send other messages. What I can tell you is that the wheat is coming. For the rest, serious people will get to understand the exact reality of things.

[Francois] When is the wheat coming?

[David] The wheat will arrive, according to the terms of the agreement, beginning on 30 September 1994. I signed this agreement with a representative of the Vatican state secretariat. That is all I want to say because I do not intend to nourish rumors or gossip, especially since one denial leads to another denial and to counter-denials. In brief, each person takes pleasure in this kind of tactic. One should not forget that this country is in crisis. It is the first time I have spoken. I make it a point to say that. I do not intend to speak often. I have work to do. I do it.

[Francois] Regarding the relations between the Vatican and Haiti, it should be noted that on 18 May, apostolic Nuncio Bishop Baldiceri renewed his support for the resigning government of Robert Malval.

Questioned on the policy of Judge Jonassaint in diplomatic matters, the minister of Foreign Affairs told us that he maintains some contacts abroad. Charles David explained that he is working for the nation's interests.

[David] I am certainly not idle. Right now, it is true, there is the loneliness of the long-distance runner. But at least, let us be serious. You are right to think that contacts were made. I do not have to say it aloud. Let me give you an example.

For many years, China was not recognized by the United States, by the big powers. Contacts were made however. In short, things moved forward quietly. What we want to say is that we are trying to build a policy first, to protect the Haitian people from the invasion, the occupation.

[Francois] Questioned about the Montreal press' criticism of him, Minister of Foreign Affairs Charles David replied he has accepted this post because of the threats weighing on Haiti and specifies that he is above all, Haitian. [end recording]

Spokesman Describes 'Polarization' Within FRAPH

FL1506212594 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Jun 94

[Text] What is going on within the Revolutionary Front for the Promotion and Progress of Haiti [FRAPH]? In a press release, the front has forbidden Mr. Louis Jodel Chambelain from making any statements on behalf of FRAPH. The general director of the front, namely Paul Arthur Fleurival Lahens, was contacted by phone and he spoke of polarization within the administrative staff.

[Begin Lahens recording, in Creole] In any political movement in gestation, there is something called polarization. As you know, the front includes Emmanuel Constant, secretary general of the organization; Louis Jodel Chamblain, national coordinator; and Paul Arthur Fleurival Lahens, general director of the front.

There is no problem. As I told you, there is only a polarization problem. But once it is a question of cooperation, everybody can get together. Certainly there are some mistakes. As the saying goes: To err is human. People may make mistakes, but they must not be grave mistakes. There is always a way to reconcile. We are only waiting for the appropriate time so there can be rallying cry. Then you will see that there is really nothing wrong. [end recording]

Deputies Sign Declaration Supporting Cuba

PA1506150694 Mexico City XEW Television Network in Spanish 0430 GMT 15 Jun 94

[From the "24 Hours" newscast]

[Text] All parties represented in the Chamber of Deputies signed a political declaration aimed at rejecting the extraterritorial application of any country's law as well as to express their support for any initiative aimed at suppressing the trade blockade against Cuba.

Fernando Charleston, a Institutional Revolutionary Party deputy, proceeded to read the declaration endorsing the Chamber of Deputies' support for the Cuban people in their quest for sovereignty and self-determination.

Official Rejects U.S. Meddling in Domestic Matters

PA1506132494 Mexico City UNOMASUNO in Spanish 14 Jun 94 p 10

[Article by Leticia Robles de la Rosa]

[Text] Mexico will not allow the United States to meddle in domestic matters, unless it involves narcotics and only through the Drug Enforcement Agency, to prevent our sovereignty from being violated, Leandro Arellano, director general of Commercial Relations for Europe, Africa, Asia, and the Pacific of the Foreign Relations Secretariat, has stated. He said our country's world image has not deteriorated, despite recent incidents of violence.

The Mexican Government has enough maturity to resolve its domestic problems without anyone's help. It is not necessary, therefore, for the United States to interfere to end the acts of violence we have experienced.

He stated the above during a brief interview after participating in the 19th international spring colloquium where he said that, although Mexico is renowned internationally today as an intermediate and very dynamic economy, the social cost of economic reforms has been considerable because the number of poor people has increased, which represents a pending and a priority debt.

He added that the plight of poverty cannot be resolved if the distribution of income is not modified and if a tax reform and a wage policy adjustment are not carried out, which will permit the benefits of the country's growth to not further increase the gap between the wealthy and poor sectors.

He also said that financial discipline, monetary prudence, economic openness, market development, and concentration of the state only on strategic areas are part of the guidelines that must be followed in the near future and whose results will be evident in the coming years. "As a result of these efforts, Mexico is renowned internationally today as a very dynamic intermediate economy," he stated.

Leandro Arellano said that sharing a common border of over 3,000 km with the biggest military power on the planet and the principal promoter of some of the situations that reflect our reality in the nineties, "obliges countries such as ours to make diversification the key element of our international strategy."

PGR Office Cites Arrest of Heroin Trafficker

PA1606034194 Mexico City NOTIMEX in Spanish 0209 GMT 15 Jun 94

[Text] Mexico City, 14 Jun (NOTIMEX)—Today, the Mexican Attorney General's Office (PGR) announced the arrest of the country's main heroin drug trafficker who is also the chief of a drug-trafficking band in the northern State of Chihuahua.

In a communique, the PGR reported that Rosario Pina Carrillo, alias "El Callado," was arrested 11 June based on an arrest warrant issued against him for crimes against health and for charges of planting, growing, and harvesting marijuana.

According to the PGR, "El Callado," also known as "El Huarache de Oro," operated in Sinaloa and also directed a band of drug traffickers in Casas Grandes, Chihuahua State, which borders with the United States.

The group, headed by Pina Carrillo, consists of brothers Leonardo and Roberto Pina Valenzuela, Pina Chito, and the Morenos, against whom arrest warrants have been issued, and they are also believed to have links with the band "Borunda Ponce," the report indicated.

The "Borunda Ponce" band consists of drug traffickers from the northern State of Sinaloa who are considered dangerous. The criminal organization "Borunda Ponce" operates in Casas Grandes, Chihuahua. They finance the planting, transportation, and commercialization of narcotics, from which they make large profits, the source reported.

The PGR said Pina Carrillo's arrest will make it possible to arrest other drug traffickers in the near future and thus disbanding both groups, something that would be a hard blow for the Sinaloa and Chihuahua drug cartels.

PAN Candidate Harassed at Rally, Hit by Rotten Eggs

PA1606033794 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Jun 94

[Report by Elvia Moreno from the "Evening News Panorama" newscast—live]

[Text] [Moreno] Diego Fernandez de Cevallos, presidential candidate for the National Action Party [PAN], met National Autonomous University of Mexico [UNAM] students today. Speaking to more than 7,000 supporters, PAN members, and opponants, the PAN presidential candidate said party policies should be practiced outside the university. Fernandez de Cevallos' speech did not

last more than 35 minutes, however, because individuals carrying flags of the Aztec Sun Party [not further identified] kept harassing him, shouting: Fascist, Fascist, while his supporters shouted: Diego, Diego.

Passions were heated 10 minutes into his speech, and the skies were filled with objects that were later identified as rotten eggs, which broke when they hit reporters, supporters, and even the left lapel of Diego Fernandez de Cevallos' gray suit. Fernandez de Cevallos said the wounds received during a campaign bring honor, not discredit.

[Begin Fernandez de Cevallos recording] I would like to ask the university students not to allow themselves to be provoked. Remember, [applause] remember that we are here to rescue freedom; we are here to rescue democratic actions; we are here to ensure the university will never be a den of outlaws. [end recording]

As Fernandez de Cevallos was speaking of his government platform and saying private and public education should be available to all, two hooded men in blue jackets on the esplanades below began to push, shove, and punch organizers of the rally and PAN supporters. It is noteworthy that the old people [viejerio] who usually accompany Fernandez de Cevallos were not frightened by these actions or by the loud voices and insults of the opponants of the former UNAM student and, today, PAN presidential candidate.

It was a cloudy day, and the esplanades at the university were almost full an hour before the rally. At the conclusion of the event, PAN supporters tried to find ways to get close to the so-called Jefe Diego, while his bodyguards led him to his car amid the shouts and hurrahs of his supporters.

At the end of the rally with UNAM students, Fernandez de Cevallos made very brief statements. He said he has nothing to complain about and that in returning home, as he has described the university, there was nothing that bothered him. This is what he said:

[Begin Fernandez de Cevallos recording] I am a man who [words indistinct] I have nothing to complain about. I have returned home, and I feel at home. There is nothing that bothers or worries me. What I heard against [words indistinct] groups who are [words indistinct] quite right at a university. I would add this is something we can easily overcome if we are all prudent. [end recording]

[Unidentified station announcer] Elvia Moreno, who attacked Diego Fernandez de Cevallos?

[Moreno] The people we saw were carrying Aztec Sun Party flags. Others have said it could have been the [words indistinct]. We could not see because there were too many people there, and we cannot say who it was. We do not know who threw the objects. No one knows yet.

Roundup of Economic Developments

PA1606021894

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 June.

Reports by the financial group Asemex-Banpais have revealed the total amount of foreign capital invested in Mexican Government securities and variable income decreased by 4.98 percent during the first four months of 1994 compared to the December 1993 balance. As a result, foreign investment in the stock market, the money market, and variable income market included, dropped from $76.5 billion in December of 1993 to $72.7 billion of last April. Asemex- Banpais has also stated that in the first four months of 1994, the prevailing financial instability triggered a decrease in the price of variable income assets. (Mexico City LA JORNADA in Spanish 7 Jun 94 p 50)

The Rubber Industry National Chamber stated today that in the past three years tire imports for Mexican vehicles increased almost 30 percent, from 360,000 units in 1991 to 960,000 in 1993. The president of this organization told NOTIMEX this increase translated into severe losses for the national tire industry. (Mexico City NOTIMEX in Spanish 2113 GMT 8 Jun 94)

Deputy Finance Secretary Guillermo Ortiz has stated that during negotiations for Mexico to join the OECD, the government pledged to review NAFTA in order to see whether benefits of this agreement could be extended to OECD members as of 1998. (Mexico City LA JORNADA in Spanish 9 Jun 94 p 49)

Today, the World Bank approved three loans totaling $918 million for Mexico. These funds are earmarked to resolve the country's major environmental problems, especially along its border with the United States. (Mexico City NOTIMEX in Spanish 1748 GMT 9 Jun 94)

Today, the Bank of Mexico (Banxico) said the inflation rate went up 0.5 percent in May compared to the rate registered for April. This monthly increase is the smallest one registered in 22 years. Banxico added that the May inflation rate reached 6.92 percent, meaning the rate has remained one digit for 12 consecutive months. (Mexico City NOTIMEX in Spanish 0057 GMT 10 Jun 94)

On 9 June, Pedro Noyola, foreign trade under secretary of the Commerce and Industrial Development Secretariat, said foreign investment projects in Mexico have remained at a satisfactory level despite recent political events. Noyola even disclosed Japan and Europe will make plans for expanding their industries in Mexico. He added that foreign investment figures registered during the first quarter of 1994 indicate an 80-percent increase compared with figures for the same period of 1993. The flow of foreign capital reached $5.1 billion from January to March 1994. (Mexico City UNOMASUNO in Spanish 10 Jun 94 p 17)

Starting 13 June, commercial banks will begin to refinance the debts for nearly 11 billion pesos in overdue loans to approximately 25 small and medium industries. This move will help alleviate the financial situation of many businesses and banks as a result of hikes in interest rates. (Mexico City Radio ACIR Network in Spanish 1330 GMT 10 Jun 94)

Construction of the first automotive plant of the Japanese company Honda began today in the city of El Salto, Jalisco, and will require a $50-million investment. (Mexico City NOTIMEX in Spanish 0001 GMT 11 Jun 94)

Commerce and Industrial Development Secretary Jaime Serra Puche has said Mexican exports will reach $50 billion in 1994 due to the implementation of NAFTA. This figure represents an unprecedented increase in Mexico's international trade. Serra Puche said the figures are very encouraging considering that during the first quarter of 1994, exports experienced a 22.3-percent increase, which was higher than the percentage obtained in the same period of 1993. (Madrid EFE in Spanish 2229 GMT 11 Jun 94)

Bank of Mexico reports have revealed the commercial banking system debt increased $1.9 billion during the first quarter of 1994, amounting to $24 billion. With this increase, the commercial banking sector has the largest foreign debt after the federal government. According to Bank of Mexico official reports, the total foreign debt followed an upward trend regarding all sectors involved. During the first quarter of 1994, the public debt reached $1.2 billion, the bank $1.9 billion, and large private companies $2.7 billion. (Mexico City LA JORNADA in Spanish 12 Jun 94 pp 50, 60)

The country's small and medium industries, which generate 87 percent of Mexico's production, are on the verge of bankruptcy due to the large tax burden and strict regulations they must bear. These industries must pay between 55 and 60 percent of their income for taxes and other regulatory obligations, compounded by the Finance Secretariat's "persecution and harassment" to make them pay their taxes on time. This situation has resulted in the highest amount of closings in this six-year period than in the past 20 years. (Mexico City EL FINANCIERO in Spanish 13 Jun 94 p 36)

Today in Madrid, Mexico's National Securities Commission and the national commission of Spain's Stock Exchange signed an agreement to exchange information, guarantee their markets, and provide protection for investors. (Mexico City NOTIMEX in Spanish 0523 GMT 15 Jun 94)

Institutional Revolutionary Party candidate Ernesto Zedillo has offered to local businessmen to change the structure of the tax system so as to eliminate the atmosphere of "fiscal terrorism." He also anticipates that in January 1995, he will promote a "very generous" system of fiscal reductions as well as a review of the income tax to improve conditions for workers. Through a merger with the Mexican Maritime Transportation Company, International Mexican Petroleum Incorporated, a Mexican Petroleum subsidiary, began commercial activities of oil byproducts in markets in the Far East in May. (Mexico City EL FINANCIERO in Spanish 14 Jun p 6)

El Salvador

Roundup of Economic Developments

PA1506192894

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 June.

The Salvadoran Coffee Council, CSC, reported that coffee exports during the past eight months had surpassed $120.2 million. According to the CSC, this amount corresponds to 1,031,735 sacks of coffee, each weighing 69 kgs, exported from 10 October 1993 to 13 June 1994. It is part of the 1993-94 coffee harvest period. Receiving countries include Germany, Belgium, Canada, Spain, Finland, France, Holland, Hong Kong, the UK, Italy, Japan, Norway, Portugal and the United States. CSC Executive Director Ruben Ernesto Pinto stated the current coffee harvest, despite being less than the 1992-93 period, will result in greater revenues for the country because of rising prices in the international markets. (Mexico City NOTIMEX in Spanish 1838 GMT 14 Jun 94)

According to recent official figures, during the past two years El Salvador recorded average annual GDP growth rates of at least 5 percent and has become one of the Latin American countries with the highest growth rate. After the signing of the January 1992 peace agreement between the government and the guerrillas which brought an end to the 12-year-old internal conflict, El Salvador implemented a process of political stabilization that reverberated in the country's economic growth. GDP, which in 1989 was merely 1.1 percent, increased to 5.1 percent in 1992, and by 1993 real economic growth was 5.0 percent. According to Central Reserve Bank of El Salvador, BCR, figures, GDP recorded growth rates during the first two months of the year totalled 7.2 percent. (Mexico City NOTIMEX in Spanish 2343 GMT 8 Jun 94)

Recent official figures indicate that currency mailed by Salvadorans living overseas, mainly in the United States, to their relatives in El Salvador surpassed export revenues by $152.3 million during 1993. A BCR spokesman pointed out that during 1993, currency mailed to relatives totalled $884 million, while export revenues amounted to $731.7 million. During the first quarter of the current year, revenue originating from Salvadorans living in the United States has so far totalled $223.2 million. (Panama City ACAN in Spanish 2316 GMT 8 Jun 94)

Guatemala

Plot To 'Destabilize' Country Revealed; Army May Be Deployed

PA1506152594 Guatemala City Televisiete Television in Spanish 0400 GMT 13 Jun 94

[From the "Channel 7 News" newscast]

[Text] On 11 and 12 June, the government reported a violent plot to destabilize the country, a plot that could delay the peace process, cause terror, and prevent the renewal of the Congress. President Ramiro de Leon Carpio said if necessary he will deploy Army troops to quell the first protests, which he termed manipulated protests.

[Begin recording] [De Leon] These are acts of vandalism. I have already given instructions to the government minister; we even talked about the actions we will take. As of 13 June, we will take special security measures. We refuse to tolerate vandalism, disorder, and public unrest. I said we will take these steps beginning on 13 June because demonstrators will take advantage of the beginning of classes to stage these protests. We are sure this is not a fortuitous event; on the contrary, it is a planned event. Therefore, we will enforce the law, which is on our side; we will put order in Guatemala with the law on our side.

I just gave instructions to the government minister, and he explained to me that there are some problems due to the lack of police agents. On 13 June, however, we will establish some mechanisms to protect businesses, honest citizens, and students who want to attend classes and who are not involved in illegal acts. Therefore, the people can rest assured we will adopt special measures beginning on 13 June. I repeat: The law is on our side, and we will make sure public order will not be altered.

[Unidentified reporter] Are there groups that are being manipulated?

[De Leon] Certainly.

[Reporter] [words indistinct]

[De Leon] I really do not know, but I ordered an investigation. It is obvious, isn't it?

[Reporter] As a security measure, will the Army [words indistinct] these groups?

[De Leon] Should it be necessary, we will do it. We will not do it for the time being, however. I am currently holding talks with the national defense chief of staff on the need to reinforce—as we have been doing lately—civilian authorities. According to the Constitution, the Army's role is to maintain public order, security, peace, and sovereignty. These are among the Army's main responsibilities. [end recording]

Roundup of Economic Developments

PA1606010194

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 June.

Ricardo Santa Cruz, manager of the Agricultural Commission Association of Nontraditional Products, Gexpront, has said broccoli and pea harvests contribute nearly $50 million in revenues annually, an amount that

represents nearly 30 percent of local sales of nontraditional goods and 8.3 percent of the total goods the country exports. The Gexpront official said broccoli yields nearly 170 million pounds each year, of which 40 million tons are exported, resulting in revenues totaling $30 million. (Guatemala City SIGLO VEINTIUNO in Spanish 13 Jun 94 p 8)

Antonieta de Bonilla, acting president of the Bank of Guatemala, Banguat, has said that nearly 1 billion quetzals have entered the economy during the current year and that the process had not adversely influenced the inflation rate. She said that of that amount, 200 million quetzals were generated by open market operations, a similar amount came from compulsory investments, and another 200 million quetzals resulted from public sector deposits in Banguat. According to the Banguat official, the remaining 400 million quetzals have not negatively impacted the economy because it is invested in short-term investments. (Guatemala City SIGLO VEINTIUNO in Spanish 13 Jun 94 p 8)

Official sources disclosed today that the Guatemalan trade balance during the first five months of the year recorded a $268.8 million deficit. Banguat stated that up until 2 June, trade balance exports had recorded $658.08 million in revenues and imports had amounted to $924.9 million. According to the Banguat Department of Economic Studies, the items that generated the most revenues were coffee—$166.4 million—and sugar—$95.33 million. (Panama City ACAN in Spanish 0020 GMT 11 Jun 94)

Banguat has announced that total net international monetary reserves had increased to $873 million during 6-11 June as opposed to the $870 million recorded the previous week. Net reserves had increased to $805 million as opposed to $801.2 recorded a week earlier. Regarding available currency, a $646.6 million increase in external liquidity had been recorded. Banguat sources have disclosed, however, that during the first week of June, the active interest rate (the rate applied to weekly loans) increased by 2.81 percentage points and now stood at 24.12 percent. Passive rates (rates applied to term deposits) fell by 2.60 percentage points and now stand at 14.16 percent. (Guatemala City PRENSA LIBRE in Spanish 11 Jun 94 p 60)

Official sources reported that Guatemalan banking system interest rates had been cut 1.2 percent (for the active rate) and 1.8 percent (for the passive rate) during the first quarter of the year. Banguat stated in a document entitled "Evaluation of the Monetary, Exchange, and Credit Policy" that the active rate has been cut from 25.7 to 24.5 percent, while passive rates had been cut from 13.7 to 11.9 percent. The Monetary Board, which is responsible for fixing economic policies, has stated one of its objectives during the current year is to cut market interest rates so as to diminish the cost of funds, as well as Banguat operation costs. (Guatemala City LA REPUBLICA in Spanish 7 Jun 94 p 6)

Nicaragua

Foreign Minister Doubts U.S. Will Suspend Aid

PA1606132694 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 14 Jun 94

[From the "National Newcast"]

[Text] Nicaragua does not believe the United States will suspend its aid again. Should this happen, however, it would be a grave mistake, affecting a country trying to consolidate its democracy, Foreign Minister Ernesto Leal said upon arriving in Cartagena de Indias to participate in the Fourth Ibero-American Summit.

Although the aid has been objected to by Republican congressmen due to unresolved claims for property indemnification filed by U.S. citizens, Minister Leal said the Helms-Gonzalez Amendment has been misinterpreted. He added that when a country has an adequate indemnification system, as in the case of Nicaragua, there should be no major problems.

Officials, World Bank To Discuss Loan Request

PA1506233994

[Editorial Report] Managua Radio Nicaragua Network in Spanish at 1200 GMT on 13 June reports a government delegation will arrive in Paris this week to meet with members of the advisory board of the World Bank to analyze the impact of international cooperation on Nicaragua's process of economic stabilization. Jose Evenor Taboada Arana, president of the Nicaraguan Central Bank, has said the meeting will be held in Paris on 16 and 17 June to confirm a $50 million loan promised to Nicaragua over the next three years. Nicaragua will also seek a $200 million loan to accelerate the peace process in Nicaragua, Taboada added.

Panama

Government Suspends Flights to, From Haiti

PA1606004294 Panama City TVN Television Network in Spanish 0000 GMT 16 Jun 94

[From the "Seven O'Clock National Newscast"]

[Excerpt] Acting President Guillermo Ford Boyd chaired the scheduled cabinet meeting at the Presidential Palace. Deputy Foreign Minister Carlos Cordero announced that the government will take steps against Haiti.

[Begin recording] [Cordero] In accordance with recommendations made at the recent meeting of foreign ministers in Belen de Para, Brazil, within the context of the OAS General Assembly meeting, Panama issued a decree prohibiting all commercial flights between Panama and Haiti. Acting President Ford signed the decree that also prohibits the issuance of takeoff permits for any flights heading for Haiti.

[Unidentified reporter] What criteria were taken into account?

[Cordero] The OAS recommendations. This is another diplomatic effort directed at solving the Haitian problem. [end recording] [passage omitted]

Endara Requests Readmission to Rio Group

PA1506144094 Panama City Circuito RPC Television in Spanish 2300 GMT 14 Jun 94

[From the "RPC Television News" newscast]

[Excerpt] [passage omitted] President Guillermo Endara has said that our country must be readmitted to the Rio Group, from which it was expelled when the military dictatorship ruled Panama.

[Begin Endara recording] I wish to bring to the attention of the appropriate heads of state a topic that I believe is of great importance and fairness for Panama and the Panamanian people. I am referring to the readmission of Panama as a full member of the permanent group for political dialogue and unity, better known as the Rio Group.

In February 1988, when Dictator Noriega overthrew the makeshift civilian president, right here in Cartagena, the Group of Eight suspended Panama from the group disclosing before the whole world the real anti-democratic form of government ruling my country at that time. I am taking this opportunity, this very important meeting, to express my wishes because it is my most heartfelt desire to see my people completely incorporated within Latin America before I leave office.

Today, having consolidated democracy, we have the moral authority to request that we be rightfully readmitted to a group that is very important. This will contribute to strengthening our integrating capacity for South and Central America, this latter region that, after many sacrifices, deserves the greatest praise. [end recording]

Roundup of Economic Developments

PA1606003594

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 June.

The National Economic Council has decided to cut the national investment budget by $198 million because of the international financial institution's, IFI's, decision to withhold funds from Panama, including a loan from the Japanese Government that is tied to a World Bank loan. The reason for this decision is that Panama has failed to meet certain IFI conditions. (Panama City Circuito RPC Television in Spanish 2300 GMT 7 Jun 94)

President Guillermo Endara has reported that at a special cabinet meeting on 9 June, it was decided that there will be budget cuts in all ministries totalling $269.6 million. Endara explained that the 1994 budget has been balanced, but that all ministries will face cuts. The ministries that will be most affected are health, housing, public works, education, finance, and agricultural development. The reason for the cuts, Endara explained, is that the IFI's have suspended the disbursement of approximately $270 million because Panama has failed to meet certain requirements, including reducing the state payroll. Most of the cuts will be in the area of investments. (Panama City LA PRENSA in Spanish 10 Jun 94 p 1)

Planning Minister Delia Cardenas and Health Minister Jose Remon have sent a letter to Lewis T. Preston, president of the International Reconstruction and Development Bank, detailing Panama's lingering poverty problem. The letter states that although the Panamanian economy is making great strides, the gap between the social classes is widening and poverty remains at approximately 44 percent. Cardenas and Remon explain that Panama's economy grew by 9.6 percent in 1991, 8.6 percent in 1992, and approximately 5.9 percent in 1993. In 1992, the country's per capita GDP rose to $2,412 and investments increased 20.4 percent. The letter explains that the government's 1994 investment program earmarks 43 percent of its resources for social projects and that Panama is one of the Latin American governments that spend the most on health. The letter says an effort should be made to reduce poverty to 30 or 35 percent. (Panama City LA PRENSA in Spanish 9 Jun 94 p 15A)

The National Bank of Panama collected more than $165 million in capital during the first four months of 1994, overcoming the $1.2 million deficit of early 1990. The bank has announced that its private deposits increased from $158 million in December 1980 to $230.6 million on 30 April 1994. The bank's liquid assets also increased from 9.7 percent in December 1989 to 61.5 percent on 30 April 1994. (Panama City Circuito RPC Television in Spanish 2300 GMT 7 Jun 94)

Federico Humbert, a successful Panamanian businessman, has accepted President-elect Ernesto Perez Balladares' challenge to head an executive office that will promote new foreign investments in Panama. Addressing members of the Inter-American Press Association, Perez Balladares said the purpose of the new office is to change Panama's bureaucratic mindset to one that will seek foreign capital and be more aggressive. Meanwhile, Humbert said: "I believe the new government has shown signs that it will favor a national concerted effort, which is what we all want to make Panama better for more Panamanians." (Panama City Circuito RPC Television in Spanish 2300 GMT 7 Jun 94)

During May, the Colon Free Zone's cumulative sales totalled $4.131 billion, according to Free Zone statistics. Compared with the same period in 1993, overall sales increased 15.3 percent; imports increased 14.1 percent; and exports increased 16.4 percent. (Panama City LA PRENSA in Spanish 10 Jun 94 p 13A)

Argentina

State Workers Protest in Northwestern Provinces

PY1506175794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1102 GMT 15 Jun 94

[Text] Buenos Aires, 15 Jun (NA)—Today, state workers in Chaco, Salta, and Catamarca Provinces pursued their pressure measures to demand payment of their wages and salaries, thus expanding the level of conflict in the provinces of northwestern Argentina.

Arnoldo Anibal Nunez, Catamarca Association of State Workers (ATE) secretary general, confirmed today that public servants are implementing a "business slowdown" that involves the provincial public administration. Nunez reported that the provincial government "has still not paid May wages to public servants in the provincial capital, or April wages to municipal workers in the interior of the province." The ATE secretary general also reported that the government has still not paid the one-time 130 peso school allowance that is usually paid at the beginning of the academic year.

Yesterday, Catamarca court employees launched a struggle program involving partial strikes, while municipal employees in the city of Catamarca will begin a "business slowdown" today.

Nunez reported that the state workers will carry out a demonstration on 17 June outside the government house. The demonstration has been called by the Argentine Workers Congress (CTA).

The teachers, grouped under the Association of Education Workers, which is a CTERA [Confederation of Education Workers of the Argentine Republic] associate, will hold a 24-hour strike tomorrow to demand payment of their June wages.

In Salta, public servants will hold a strike and a demonstration tomorrow outside the provincial Congress building to demand a 500 peso minimum wage. Miguel Quiroga, Salta ATE social action secretary, pointed out that the protest "will be held to demand the timely payment of salaries, as health workers and retirees have still not collected theirs."

Quiroga reported that the demonstration will be held to protest the decision to transfer the pension fund to the federal government, and to demand education and public health budget increases.

In Chaco, the trade unions of state workers will hold a general strike today to reject the provincial government's goal of transferring the pension fund to the federal government. The pressure measure will be accompanied by a demonstration outside the provincial Congress building, where the Chamber of Deputies will discuss a bill on the transfer of the Provincial Social Security Institute.

'Minority' Status Considered for Falkland Islanders

PY1606032394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1049 GMT 15 Jun 94

[Text] Buenos Aires, 15 Jun (NA)—Foreign Minister Guido Di Tella has stressed that the proposal to compensate the Kelpers [preceding word in English] in an eventual change of sovereignty over the Malvinas Islands is part of a negotiation mechanism considered "normal" throughout the world.

"It is not a question of making a payment in order to throw people out. I simply said that compensation could be given for the transfer (of sovereignty). This is quite normal throughout the world where this type of transfer has occurred. Although there have not been many such transfers, there has always been economic compensation," Di Tella said in a radio interview.

The foreign minister had stressed in an interview that he granted to the British newspaper THE FINANCIAL TIMES that the Argentine Government would be willing to "consider financial compensation" for the Malvinas residents "in view of the psychological distress that would affect them when they handed over the sovereignty of the islands."

In view of the repercussions regarding these remarks, Di Tella made it clear that the proposal to compensate the Kelpers [preceding word in English] "is part of a much more complex negotiation" between the involved parties.

"The consideration that must be taken into account first is how to deal with the way of life of the islanders. If this does not come first, "the issue of compensation will seem to be offensive. The economic part, which also exists and which I believe to be very important, would come after that," Di Tella said when referring to the government's proposal.

Through the constitutional reform that is under way, the 2,000 Malvinas residents could obtain the legal status of a "minority" and this would legally guarantee respect for their language, religion, and customs.

This is established in a draft bill that the Foreign Ministry is studying and that the executive branch will presumably submit to the Constituent Assembly, which is sitting in the city of Santa Fe. The so-called Kelpers [preceding word in English] would then be considered Argentine citizens, although with the status of a "minority" with their own characteristics as is the case with the indigenous peoples or the members of some foreign communities.

The initiative is being developed by officials, politicians, and technicians of the Foreign Ministry headed by Di Tella on the basis of a proposal made by Justicialist Party Deputies Carlos Branda and Florencio Acenolaza. Acenolaza is the president of the Foreign Relations Committee.

Bolivia

Sanchez on Government Program, Drug Fight, Indians

PA1606033994 Mexico City XEW Television Network in Spanish 0430 GMT 10 Jun 94

[Interview via satellite with President Gonzalo Sanchez de Lozada in La Paz by reporter Jacobo Zabludovsky in Mexico City; from the "24 Hours" newscast—live]

[Excerpt] [passage omitted] [Zabludovsky] Mr. President, I would like to take this opportunity to speak a bit about your country and your government. How have you, as a philosopher and politician, a man torn between certainty and doubts, dealt with your government program?

[Sanchez] Well, 10 months have gone by and my first year in office is about to end in two more months. This year has been very difficult because it has been a year spent sowing and paving the way. We have been able to enact significant legal measures. These measures, however, are still somewhat abstract since the people have not yet been able to see the end results. Obviously, we must first pave the way. We have been able to carry out capitalization measures, a very innovative course of action that entails rescuing failing state enterprises and encouraging the private sector and Bolivian people to become shareholders in these enterprises. In addition to encouraging new investments, we have also been able to implement an initiative to acknowledge the contribution of the indigenous community after 500 years and to grant them self-government in the form of territorial municipalities, urban as well as rural. In addition, we have been able to distribute 20 percent of the state's revenues among the regions, according to each region's population. These are some very innovative measures. We are currently struggling to implement in-depth education reforms. Just like all other countries, what our country really needs are jobs and education. Education represents the passport to the future, and jobs are the best way to promote activity, more jobs, dignity, and taxes in order to satisfy the people's needs.

[Zabludovsky] It would seem to me that it is not an easy task to govern a country such as yours which is embedded in the Andes. At any rate, I am not sure whether the phase—they may take away the adventure, but not attempts from the heart—means anything to you.

[Sanchez] Yes. Once my grandfather asked a Bolivian president what it is like to be president of Bolivia. At the time my grandfather was foreign minister. The president answered that everything is fine when there is money, but that he would not recommend the job when there is no money. Unfortunately, I have had the misfortune to become president at a time when there is no money. Nevertheless, there is a lot of goodwill and consensus. Bolivia is a country that has undergone tremendous shocks. The prices of the raw materials we traditionally export such as tin, gas, and hydrocarbons have dropped to practically nothing. The country has also been able to control its tremendous 25,000 percent hyperinflation. Currently we have single digit inflation. There is a lot of confidence that we will be able to forge ahead. Nevertheless, it is very difficult because everyone is calling for adjustments, yet no one wants them once they are implemented. I am quite sure that deep down, Bolivia knows it must change and improve. I am convinced that my second year in office will be a year of performance, and we anticipate results during the third year. These results might be good, average, or bad, but I am very sure that the Bolivian people's sacrifice will be well rewarded.

[Zabludovsky] How has drug trafficking influenced or interfered in Bolivia's political life?

[Sanchez] Drug trafficking is one of the most pressing problems confronting Bolivia. No one can explain why we do not have narcoguerrillas or cartels similar to the ones in Cali, for example. It is possible it is because social cohesion is very strong in Bolivia. Family and community ties are very strong; at any rate, the issue is one of concern because we are a very fragile nation. Our institutions are very vulnerable, and we are apprehensive about this drug-trafficking issue.

We are struggling hard against drug trafficking and seeking strategies to convince the peasantry to become involved in other activities. It is not an easy task because there is poverty, and one of the few things that produces revenue is the coca plant, especially when it is refined into drugs. Despite all this, we believe that if we can create enthusiasm for industrialization or an alternate economic activity, we will be able to find ways for the Bolivian people to abandon this activity. It is not an activity we are interested in promoting, given that it is so dangerous.

Undoubtedly, this is one of the greatest challenges confronting us, and we are all searching for solutions, not only the government but society as whole because it is undermining our youth. We are concerned that tomorrow it might undermine our stability as well as our social harmony.

[Zabludovsky] The living conditions of the 10,000 or more Guarani Indians have been highly criticized. It is said they live in extreme poverty, something that is not true only in Bolivia. What could be done to combat this issue?

[Sanchez] We have made profound reforms. We have changed the entire executive branch. We have created ministries, one for human resources, which has a secretariat for ethnics, races, and generations. We have, for the first time in Latin American history, recognized the Indian community by allowing them to participate. Two-thirds of Bolivia's population has Indian roots and one-third has Western roots; thus, there are very powerful dynamics at play here.

Actions are stronger than words. The Bolivian vice president is the first Indian to occupy this post. He was born near the shores of Lake Titicaca. He is a very educated

man, a professional linguist. This shows that this administration and our society are accepting an important fact: Unity is built on diversity and it is possible for all these currents to be present and yet have a stronger country and a more balanced society. [passage omitted]

Brazil

PT President Rejects Alliance With Sarney

PY1606005194 Rio de Janeiro O GLOBO in Portuguese 11 Jun 94 p 3

[Article by Walter Falceta Jr.]

[Text] Sao Paulo—The PT [Workers Party] will not make any political agreement with Senator Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party - Amapa]. This was reported early yesterday evening by PT President Rui Falcao (state deputy for SP) [Sao Paulo]. A day earlier, PT presidential candidate Luiz Inacio Lula da Silva said that he would accept Sarney's support. Lula said that the PT could not refuse to talk with the former president and that he will resume the north-south railway construction begun by Sarney.

"There will be no agreement with Senator Sarney. The PT has not and will not seek him. We cannot forbid, however, anyone from demonstrating admiration for our candidate," Falcao said after the weekly meeting of the PT national executive board.

Falcao, one of the leaders of the most radical PT wing, said the party cannot make an agreement with Sarney because his government was marked by recession and by the liberal distribution of radio and television stations [in exchange for political support]. Falcao believes that a political alliance between Lula and Sarney is "unthinkable."

"The PT demonstrated what it thinks of Sarney when it struggled with all its might to prevent him from remaining in power for five years. No PT deputy voted for the extension of his term in office," the PT president said.

The party is not disdaining Lula's idea of wanting Sarney's support, Falcao said, adding that Lula and the PT agree on one point: The objective is to win the votes of Sarney's followers.

Despite the meeting held on 8 June between Deputies Aloizio Mercadante (PT-SP) and Jose Sarney Filho (PFL-MA) [Liberal Front Party - Maranhao] to discuss an alliance between Lula and Sarney, Falcao said there has never been an understanding on the subject. He said the "informal talks" between Aloizio and Sarney Filho were misinterpreted. According to Falcao, the PT's strategy will be to maintain direct contacts with Sarney's followers and convince them that Lula's government platform is the best to get the country through the crisis.

Protestant Congressional Bloc To Increase Power

PY1506190094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 94 p 14

[Article by Lucio Vaz]

[Text] The bloc of Protestant Church congressmen plans to increase their number from 25 to 50 in this year's elections. The Universal Church of the Kingdom of God alone hopes to elect 12 deputies.

With about 25 million followers, according to evaluations by their congressional bloc, the Protestant Church has the potential to elect an even greater number of deputies and senators than that. Not all of the Protestant Church sectors have, however, a centralized hierarchy like the Universal Church.

This religious group, headed by Bishop Edir Macedo, chooses its candidates through a system resembling the "democratic centralism" employed by orthodox leftist organizations.

The Bishops Council, which is comprised of eight to 10 bishops, holds a national meeting and chooses the candidates for each state. Their faithful (nearly 1 million) are instructed to vote only for those candidates.

This centralizing system is also partially adopted by the other Pentecostal churches, such as the Assembly of God, the Church of God, and the House of Blessings. The difference is that in these religious groups decisions are made in each state or city.

The historical divisions of the Protestant Church, such as Baptist, Presbyterian, Methodist, and Lutheran, do not indicate any preferred candidates. Clergymen who choose to follow a political career, however, end up being supported by the faithful.

Both the historical and the Pentecostal Protestants reject political parties. They share, however, an interest in topics linked to the family, such as abortion, divorce, homosexuality, and prostitution.

The evangelical Christians follow the principle that "Christians vote for Christians," independently of any party to which the member of the Protestant faith is linked.

Of the current group of 21 Protestant deputies, 15 have already changed parties after having being elected. In the Senate, the bloc has four members.

The structure of the churches can be used to help elect Protestant candidates. The Universal Church has a television network (Record) and radio stations in several states.

During the electoral campaign, the clergymen of several of these groups become voluntary campaign workers. The newspapers that circulate among the faithful are also used to disseminate news about the candidates.

Deputy Luiz Moreira (PFL-BA) [Liberal Front Party-Bahia State], of the Universal Church, says that all the clergymen of their 160 churches in Bahia State will be his voluntary campaign workers. "We will still have the support of these churches' workers," he said.

Moreira asserts that the clergymen comply strictly with the instructions of the Bishops Council. "Our hierarchy is centralized," he explained.

Aware of the votes available in Bahia State, the Universal Church has proposed a candidate for federal deputy and two for state deputies.

The other religious groups are not as well organized. PFL Deputy Arolde de Oliveira (RJ) [Rio de Janeiro] asserts that the 2 million Protestant faithful of Rio de Janeiro could have elected up to 20 deputies in 1990.

The excessive number of candidates from these churches, however, allowed only seven of them to be elected. "The votes of the Protestant faithful increased the support for the other party candidates, and ended up getting non-Protestant people elected," the deputy analyzed.

One of the things Protestant congressmen have in common is their support of the government. Arolde de Oliveira explains: "We want the freedom to disseminate our ideas, to address the people in public squares, to have radio and television stations."

The Protestant congressmen's support of then President Jose Sarney ensured them radio and television stations. These congressmen also defended a five-year presidential mandate for President Sarney at the 1988 Constitutional Assembly.

Evangelical Church Issues Election Leaflet

PY1506192794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 94 p 14

[Article by Claudia Trevisan]

[Text] The AEVB (Brazilian Evangelical Association) has issued a 10-point leaflet to advise evangelical voters, and in August it will hold a debate with the four most popular candidates. The leaflet warns of the possibility that some evangelical leaders could try to influence voters' decisions, and upholds the moral standards of the candidates.

The leaflet states: "No evangelical voter should feel bad because he disagrees with his pastor or spiritual leader." The text states that the vote for president should be based on government programs. It also condemns the spreading of rumors, such as those against Luiz Inacio Lula da Silva during the 1989 elections.

The leaflet approves of the religious vote. If the voter feels that he or she identifies with the candidate, but not with his party, the leaflet recommends: "It is suggested that even so, a vote of support be given to our fellow believer as long as he qualifies for the post."

The AEVB is identified as the most progressive sector of the evangelical community. It opposes the National Ministers Council, which is linked to the IURD (Universal Church of the Kingdom of God) headed by Bishop Edir Macedo, and is a dissident faction of the Assembly of God.

The IURD rejects Lula. The last issue of FOLHA UNIVERSAL carries an article stating that the PT [Workers Party] upholds the legalization of abortion and homosexuality. The article said that the PT "is the product of the Roman clergy, and is at the service of the interests that have always prevailed in the history of the Roman Catholic Church."

IURD state Deputy Paulo Cesar De Velasco says the church intends to support one candidate. He commented: "It will not be Lula, nor will it be Brizola." Quercia is the only candidate praised by De Velasco: "His running mate [Iris Resende] is evangelical and uses language that can be understood by the people." De Velasco believes Fernando Henrique Cardoso is "inconsistent" from the religious viewpoint.

Presidential Candidates Seek Evangelical Vote

PY1506200694 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 94 p 15

[Article by Claudia Trevisan]

[Text] Orestes Quercia (PMDB) [Brazilian Democratic Movement Party] and Luiz Inacio Lula da Silva (PT) [Workers Party] are the two presidential candidates who have taken the most concrete steps toward attracting evangelical voters.

Quercia chose an Evangelical—Iris de Araujo Machado—as his running mate for the presidency. The PT campaign has a national evangelical committee charged with organizing pro-Lula evangelical committees in every capital city of the nation.

The PT candidate is determined not to repeat the error he committed in 1989, when he lost most of the evangelical votes to Collor. All the presidential candidates regard the evangelical group—consisting of 25 million people, 13 million of whom are voters—as one of their priorities.

The campaign that is least focused on the Evangelicals is that of Fernando Henrique Cardoso, the PSDB [Brazilian Social Democracy Party] presidential candidate.

Deputy Lezio Sathler, a Presbyterian and the only PSDB evangelical member serving in Congress, said: "I have noticed a lack of action in that area. Cardoso must urgently shift his attention to the Evangelicals."

Cardoso has the support of Deputy Salatiel Carvalho (PP-PE) [Popular Party-Pernambuco State], a member

of the Assembly of God, who coordinated Fernando Collor's campaign among Evangelicals in 1989.

Carvalho has not shown, however, great enthusiasm about this job. He said: "I am going to ask for votes for Cardoso to comply with my party's decision."

PDT [Democratic Labor Party] candidate Leonel Brizola is well accepted in some segments of the evangelical community, especially in the states of Rio de Janeiro and Rio Grande do Sul.

PPR [Progressive Renewal Party] candidate Esperidiao Amin, who has already started to meet with Evangelicals, plans to intensify these meetings.

Lula's attempt to strengthen his ties with the Evangelicals dates back to before the start of this electoral campaign. Presbyterian Pastor Caio Fabio, president of AEVB (Brazilian Evangelical Association), said: "For two years, I have met almost every month with Lula to pray and to read the Bible."

In 1989 there were widespread rumors that, if elected, Lula would shut down all evangelical churches. The Universal Church of the Kingdom of God went so far as to compare Lula with the devil.

Evangelical leaders note that Lula has managed to reduce resistance to his name, but not to the point of earning the majority of evangelical voters.

Silva Malafaia, pastor of the Assembly of God church, said: "The PT ideology upholds materialistic views that are contrary to ours."

Salatiel Carvalho also opposes Lula. He said: "I will ask for votes for any candidate running against Lula in a runoff."

Most evangelical leaders believe that Quercia's decision to pick Iris de Araujo as his candidate for vice president will influence evangelical voters.

Iris Araujo said: "The fact that a sister of the faith will be on the ticket will have a greater effect on evangelical voters." She said that an evangelical candidate will attract evangelical voters. She added: "We have to expand our field of action to change somewhat the materialistic mentality that prevails in today's world."

Evangelicals Beginning To 'Open Up' to Leftists

PY1506193894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 94 p 14

[Text] The evangelical community is gradually getting rid of its conservative stigma, and is beginning to open up to evangelical leaders identified with the left. The most recent phenomenon is the creation of the MEPS (Socialist Popular Evangelical Movement) [Movimento Evangelico Popular Socialista], which is linked with the PPS [Popular Socialist Party], the former Brazilian Communist Party.

The MEPS was approved at the national convention of the PPS, which elected evangelical members to run in the elections for the PPS. One of them is Luis Cavalcante, candidate for state deputy for Sao Paulo State.

"The PT [Workers Party] is very close to the Catholic Church. That is why I have come to the PPS," Cavalcante said. He added that the PPS has evangelical candidates in Rio de Janeiro and Sao Paulo States.

The increase of progressive members identified with the left can be explained as a reaction to the behavior of evangelical congressmen during the Constituent Assembly and at the impeachment of Collor.

The MEP (Popular Evangelical Movement) [Movimento Evangelico Popular] was created following Collor's election. "Our objective is to encourage evangelicals to participate in social movements," said Reverend Robinson Cavalcante, who supports Lula.

According to Reverend Cavalcante, the MEP encourages its members to join leftist parties and the CUT [Sole Workers Center]. Evangelical interest in participating in social movements has increased in the past 10 years, Cavalcante said.

Reverend Oneide Bobison, who also supports Lula, mentioned another factor that contributes to the increase of progressive members. "Young clergymen prefer leftist and center-left parties."

Lula Vows To Negotiate Debt 'Directly With Presidents'

PY1606013894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 94 p A6

[Text] During an evening debate with the Jewish community on 13 June, PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva said he, like the Jews, is a "survivor." He said: "I survived the starvation war in the northeastern region." He included something new in his government proposal, saying: "I will negotiate the foreign debt directly with the presidents." He added: "I will contact U.S. President Bill Clinton because I know he is more sensitive to the social situation resulting from our debt." He criticized the current Brazilian foreign policy, saying: "We are important enough to play the international power game, yet all we do is run after the ball."

Lula and Jose Dirceu, the PT candidate for the governorship of Sao Paulo State, kicked off a series of candidate debates sponsored by the Sao Paulo Israeli Federation at the Hebrew Club. Progressive Renewal Party presidential candidate Esperidiao Amin and Luiz Antonio de Medeiros, the Popular Party candidate for state governor, will participate on 27 June. Brazilian Social Democracy Party candidates Fernando Henrique Cardoso and Mario Covas are scheduled for 8 August, and Orestes Quercia and Barros Munhoz for 22 August.

Chamber of Deputies Strips Deputy of Rights

PY1606013994 Sao Paulo AGENCIA ESTADO in Portuguese 2030 GMT 15 Jun 94

[Text] Brasilia, 15 Jun (AE)—With 312 votes in favor, 59 against, 15 abstentions, and one void, the Chamber of Deputies has stripped Deputy Jose Geraldo Ribeiro (PMDB-MG) [Brazilian Democratic Movement Party-Minas Gerais State] of his political rights. The Congressional Investigating Committee, looking into the irregular handling of budget funds, found Ribeiro guilty of misusing federal budget funds and of unlawful accumulation of wealth. The Chamber of Deputies is now voting on the suspension of Deputy Flavio Derzi (PP-MS) [Popular Party-Mato Grosso do Sul State]. Derzi also is charged with irregular handling of budget funds.

Chile

Foreign Ministry Confirms 9 Cubans at Consulate

PY1506191794 Madrid EFE in Spanish 1731 GMT 15 Jun 94

[Text] Santiago, 15 Jun (EFE)—Sources at the Chilean presidential palace of La Moneda have reported that the group of Cubans who today entered the Chilean Consulate General in Havana consists of seven young men, one woman, and a child.

According to the same sources, who did not provide any further details, a full report on this event will be released within the next few hours.

The Chilean Foreign Ministry had already confirmed the entry of the group of Cubans into the Chilean Consulate, and added that President Eduardo Frei and Foreign Minister Carlos Figueroa have already been informed about the event.

Frei and his foreign minister are participating in the Fourth Ibero-American Summit in Cartagena de Indias, Colombia.

This is the third time Cubans have rushed into an embassy in Havana over the past 20 days. They had done so before at the Belgian and German embassies.

Investigative Police Arrest 'Top' Lautaro Movement Leader

PY1506230394 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 15 Jun 94

[Text] The Investigative Police today arrested Guillermo Ossandon, alias Diego Carvajal, the top leader of the Lautaro Movement. The arrest took place in downtown Santiago.

Ossandon was the most wanted man in the country.

Military Court Decides Not To Prosecute General Stange

PY1506155194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 15 Jun 94

[Excerpt] The Military Court has ruled unanimously to not prosecute Carabineros Director General Rodolfo Stange. This ruling confirmed the decision made by Judge Alfredo Pfeiffer, who continues with the investigation proceedings.

[Begin recording] [Unidentified reporter] The Military Court had two pending cases. The Military Court has confirmed that the relatives of the slain professionals are affected parties in this case. It also ruled that Gen. Stange would not be prosecuted on charges of nonfulfillment of military duties, as was ruled by Judge Milton Juica in the decapitations case. [passage omitted] [end recording]

Pinochet Returns From Europe; Defense Minister Calls Trip 'Normal'

PY1606024794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 15 Jun 94

[Text] Army Commander in Chief General Augusto Pinochet returned to the country this morning following his controversial trip to various European countries. The military delegation headed by General Pinochet arrived from Great Britain aboard a British Airways plane at 1000 this morning.

During his visit to Europe, the Army commander visited several weapons manufacturing companies. During these visits, he had to face demonstrations opposing his visit. In our country, some congressmen criticized him for using resources for a trip of this nature.

Defense Minister Edmundo Perez Yoma expects to receive a report from Gen. Pinochet on his European trip.

[Begin recording] [Perez Yoma] I will meet with Gen. Pinochet as soon as possible so he will have an opportunity to submit a report.

[Unidentified reporter] What about the reactions of officials of the Czech and Netherlands Governments, and in other countries he visited? What do you think of those reactions?

[Perez Yoma] We believe the trip was completely normal with no setbacks whatsoever. There were some explainable journalistic reactions that did not affect the trip whatsoever. I think the trip was absolutely normal.

[Reporter] Isn't the government affected by reactions of the Czech interior and defense ministers who said that...

[Perez Yoma, interrupting] I have no official report on those reactions. Therefore, I cannot answer your question.

[Reporter] The Czech interior minister said that it was a mistake to grant a visa to Gen. Pinochet.

[Perez Yoma] I am unaware of such a statement. (end recording]

Relationship With Peruvian Armed Forces Improves

PY1606013194 Santiago EL MERCURIO in Spanish 1 Jun 94 p C6

[Text] National Defense Chief of Staff Vice Admiral Jorge Patricio Arancibia has stated that the Chilean and Peruvian Armed Forces have substantially improved their relationship as a result of the annual meetings held by their respective chiefs of staff.

He said that in his opinion the history of the Latin American countries has been marked by conflicts that have regrettably affected the continent's relationships. Arancibia said: "This has become a sort of culture which we are trying to modify with these meetings designed to make our relationship more feasible, pleasant, and attractive."

Yesterday Arancibia presided over the inauguration of the second meeting of the Chile-Peru working group. This is a preliminary meeting to the IX Round of Talks between the Chilean and Peruvian Armed Forces High Commands scheduled to be held at the end of the month in Lima.

The meeting started at 0900 in hall No. 7 of the Diego Portales building and was attended by two special commissions: the Peruvian commission headed by Army Colonel Mario Lucero Welblund and the Chilean commission led by Air Force Colonel Nelson Sanhueza Lagos.

Vice Adm. Arancibia added that during these preliminary meetings the specific subjects to be discussed during each joint meeting of the chiefs of staff of the various Armed Forces' branches will be chosen.

Arancibia said: "During the past nine years we have made progress regarding a series of measures that have allowed a rapproachment and allowed us to establish greater and closer relations of mutual confidence."

Arancibia said that this rapproachment has resulted in exchanges, among other things, in the welfare field as well as of books edited by the armed institutions of the two countries.

He added that contacts have been established at the border sector chief level and this has made it possible to effectively tackle and solve problems that have appeared in that area.

The working sessions between the representatives of the chiefs of staff of the Chilean and Peruvian Armed Forces lasted all day yesterday.

Amendments to Intellectual Property Law Contemplated

PY1506150594 Santiago EL MERCURIO in Spanish 7 Jun 94 pp A1-A12

[Article by Maria Paz Lopez-Hermida]

[Excerpts] Officials are quite optimistic that in the near future Chile may join either the North American Free Trade Agreement (TLC, or NAFTA) or achieve a bilateral trade agreement with the United States.

Before choosing between these two options, which is already being negotiated in Washington, Chile must commit itself to improving its intellectual property system, among other things. This probably involves one of the most complex issues of Chilean legislature, affecting thousands of people.

For the time being, nothing has been decided on the changes that must be made. The studies that are being made center on a TLC chapter referring specifically to intellectual property and the negotiations that Chilean officials have been conducting with the White House. No matter what is decided, intellectual property is an important issue that must be studied. Mexico is well aware of this, as when it negotiated its entrance in NAFTA last year this was one of the issues that raised the most difficulties.

The issue that will cause the most difficulties is probably that of medicine patents. Chile was the first Latin American country to implement regulation for the protection of pharmaceutical inventions. This will be the "letter of presentation" for achieving a treaty.

The United States is, however, demanding from its commercial partners regulations that are rejected by some local sectors.

One of the issues to be amended in the current legislation refers to the period of time during which a patent holder is granted a monopoly to exploit one product. The TLC establishes that the duration of this monopoly must be 20 years from the time the patent is requested. In Chile this period lasts for only 15 years from the time the patent is granted. The Economy Ministry has explained, however, that this issue should not raise many problems, because in practice the proceedings involved for the issuance of a patent may take up to 2 or 3 years. This means that in Chile a patent may last for up to 18 years from the time it is requested.

There are problems concerning the second issue that should be amended in Chilean legislation in view of the TLC. It concerns the recognition of patents granted abroad before the Chilean regulation was enforced. When the patent law was approved in 1991, it was explained that it was not applicable to existing medication because one of the requirements for requesting a patent is that it should be an innovation at the international level. This article is precisely the one the United States wants changed.

The Association of Pharmaceutical Industries and Laboratories (Asilfa) is opposed to this possibility. Asilfa Chairman Miriam Orellana said that such an amendment would erase from the market a large percentage of inexpensive medicines, which would affect consumers. To justify her argument she cites the case of Mexico, which in 1991 had to accept a clause retroactive to 1987. Orellana said: "Prices experienced a considerable increase, and the promises of greater foreign investment fell through when many companies shut down their local factories because imported products were preferred."

However, it is not only a question of drafting amendments. There is no Chilean legislation on some of the issues demanded by the TLC, and we will be compelled to make commitments during the negotiations. Experts say that there are many technical details that must be studied.

Among them is the industrial secrets issue, which in the United States is controlled by extensive and strict regulation. It deals with any technical knowledge of important value to a company and which that company does not want revealed. [passage omitted]

In Chile some laws state that an employee cannot divulge confidential information of the company he works for, but we must draft legislation that includes stricter measures on company secrets.

Another issue absent from Chilean legislation is that concerning integrated circuits. The United States asks for special legislation covering integrated circuit designs that currently allow the operation of any electronic device. Integrated circuits are not included in the law because the current level of national technology does not allow a true incursion into this field. It is obvious, however, that for more developed countries these constitute a major business.

Beyond any conflicts of interest that may arise, most people believe that any amendments to the legislation should aim at decreasing the piracy of legally patented works. [passage omitted]

Many believe that the secret lies in officials not discussing issues separately, but as a package. The idea is that although we have to yield on some issues, in others we can make Chilean interests prevail.

Colombia

Candidate Pastrana Makes Campaign Statement

PA1506232594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0100 GMT 15 Jun 94

[Statement by Andres Pastrana, presidential candidate of Colombia's Conservative Party; date and place not given—recorded]

[Text] Friends: Our country is full of experts, public officials, politicians, and economists. They all believe they have the solution to each and every one of Colombia's problems. The truth is, however, they may all know many things, but most of them do not really know how the people live, how you live. They have never seen the places you call home. They do not know the effort it takes to pay bills or to stretch your budget to try to make ends meet. They do not have to worry, as you do, about how to educate your children and provide the opportunities for new jobs in a new economy. The experts, the economists, and ranking officials do not have in their homes the staples that you can barely afford on your salary. They have not seen you sweating as you work. They do not live the life of anguish you live.

The time has come to have a government and president who will be in contact with you and your problems, who will understand that behind every abstract and cold word, words that fill the socioeconomic policy documents, there are men and women of flesh and blood who have a heart and soul and real frustrations and illusions. Due to old political machines, they have been disillusioned because thousands of promises have not been kept one election after another, because many things were said but not done.

The time has come to have a president who believes and governs, inspired by the will to change, with the conviction that what is good for the people is good for Colombia. As you know, I do not come from a family that has lacked opportunities. Some time ago, before,and during this campaign, I worked to understand the problems Colombians face, not only as they appear in the documents which my advisers have prepared or in the lectures by experts, but through face-to-face contact with each and every one of you, learning firsthand of your anguishes and difficulties.

You and I have shared moments in your neighborhoods and communities, throughout the length and breadth of the country. For me, the most important thing of this campaign is not the thousands of people who have thronged enthusiastically to attend the rallies or pack the plazas in small cities and towns. The most valuable thing about this effort has been the opportunity to talk to thousands of Colombians, person by person, in the country, on our coasts, and in the poorest neighborhoods of our cities. All of them have had something to say and something to contribute.

You and I can learn many important things from statistics, but statistics do not breathe. Statistics do not cry, in fact, they do not care if Colombia achieves a change. If a change is not achieved, different figures will follow. With your common sense, you are the experts from whom I have learned the most. The people, with their votes, are the ones who have always given me the posts I have held. I have never been appointed to a public post because I have never been part of the machinery; that is what has inspired me to have faith in this campaign. If you give me the opportunity, I will govern from the Presidency

with a profound commitment in my heart and conscience, with the determination to return to my fatherland at least a little of what it has given me.

I have heard thousands of questions from the people, and they all reflect what is most important for each one of them. I am seeking the Presidency to truly serve the people. I have not improvised in accordance with changes reflected in the polls, but I have presented a comprehensive program of changes that I have discussed with you on television, radio, in our multiple face-ta- face meetings with the people. I am certain that you have not found contradictions or opportunism in this program.

Our program offers new jobs, not as a simple slogan repeated to obtain votes, but these are actual, productive, well-paying jobs based on the creation of new companies and the attraction of new investments to the cities and countryside as well as the development of the capability and qualifications of all Colombians.

We have provided for training and the qualification of more than 2 million workers by strengthening the National Apprenticeship Services, initiating a revolution in education that will allow each child between the ages of five and 15 years to go to school, and by upgrading training centers that will open the doors to job opportunities for 99 percent of Colombian youths who have not had access to universities. For this, I will personally make it my responsibility that those who have the honorable task of being teachers of the new generations will once again be awarded the place of esteem they deserve with good working conditions, facilities to develop their tasks, and a fitting salary that recognizes the importance of their work for our present and our future. Only by doing this will our people be prepared to receive betterment and our nation able to offer good jobs with good 21st century salaries.

Definitely, the way to confront, without deceit, the cost of living is to give Colombians the possibility of learning more to achieve a better standard of living. In developing our government program, we will construct 660,000 new housing units for compatriots who need them, and we will take potable water to more than 10 million Colombians. More than being good for the economy, it is the government's moral obligation to make all Colombians participants of prosperity.

As president, I will not privatize any of the government's basic services. The political establishment is trying to scare our people by lying in this regard. They do not want it to be known that the people who work for the government are good and qualified. Those who are not good or qualified are certain politicians who regard the government as booty. To this I say the response is not to attack the workers; the response is to defeat the old political establishment.

Our program also provides for strong action to combat insecurity in the cities and countryside. In the struggle against guerrilla violence, what is needed is a dynamic strategy that will prevent any delay in the dream for peace. I have already said the government does not choose between war and peace.

The government must protect the lives, honor, assets, and human rights of all Colombians. Make no mistake: We will not compromise in this task. If the guerrillas are truly determined to achieve peace, I will personally sit down to negotiate with them on concrete bases to achieve concrete results. In my government, I will not permit a dialogue by deaf people, a dialogue that would lead to nowhere while extortions, kidnappings, murders, and the blowing up of pipelines continue.

I have been proposing for quite a while a strategy aimed at eliminating obligatory military service and replacing it with a professional army, an army well paid and well equipped in order to defend us all. I have been proposing this for some time, through conviction and not because a poll has indicated this is a popular position; this is why I did not have to change my opinion during the campaign.

Nevertheless, this will not be the only type of insecurity we will fight. We will continue our intense struggle against drug trafficking and narcoterrorism and we will combat with full force the crime that has taken over our cities. In conjunction with the military forces we will strengthen the police, intelligence, and investigative institutions, and we will create expert armed corps to deal with muggers, apartment burglars, car thieves, and all other urban mafias.

There is another issue that has been floating about during this campaign, an issue poised as a dark shadow over our democracy, an issue that has influenced our people not to vote, despite the longing for change. How can you know if the promises a candidate has made will be kept once he reaches power? In my opinion, there is only one valid answer: Colombia does not need any more candidates who chase the people's votes. We need a president who will again listen to the voices of Colombians.

For a long time, for many generations, politicians have appealed to you. They have made you promises, and you in turn have responded with your support, but once they reach the Presidency, you never see them again, except when the presidential motorcade passes by with its guards and sirens. They do not think about you again because your problems quickly fade from the mind of the presidential politician. I am bent on changing this. The change I intend to implement and which I will explain to you now will be fundamental so that all the other changes we want will come about.

The president will take office on 7 August. On that day, I will not limit myself to entering Narino Palace and not coming out again. On 7 September, I will take all my ministers to a small town for a face-to-face meeting with the people. The people will be able to ask questions at this time and tell us how they think we started our administration, where we are making mistakes, or where we have not done enough. They can also suggest to us another way of doing things. On the seventh day of every

month during my Presidency, I will hold a meeting, face to face, in a poor neighborhood, or in the countryside, a school, or a university, in different parts of the country. On the seventh day of each month during my Presidency, I will consult with the real experts, the real polls, the real advisers—the Colombian people.

As president, I will go back to the people the seventh day of every month for a face-to-face meeting. I am not asking you to vote only for a change. I am asking you to form part of this change. You already embarked on this change on 29 May, but your responsibility does not end on 19 June. We will meet again as we have done throughout this campaign on the seventh day of each month. Power will be in your hands, in the hands of the people. The president will be there to hear you, and I will take your concerns back with me to the Presidency of the Republic.

Your vote plus one will equal victory on 19 June, not the victory of a candidate, but a victory of a cause, for a government that is genuinely of the people and not only dubbed with that name, a victory for a government that is not isolated at the presidential palace but, rather, a victory for a government in permanent contact with the people, a victory for a leadership that responds with actions to the millions of Colombians who have fallen behind or have been left off the road to progress.

Those of the establishment, their bureaucratic quotas, and their politicians are working overtime and at full speed to hold back the change, but your vote plus one on 19 June will be more powerful than that old political establishment. Your vote plus one will be the most powerful voice of Colombia on that day. Do not allow that old establishment to score a win. Give me your support, and your voice will be heard on election day and during the next four years.

Give me your support, and together we will change Colombia on 19 June and every day of my Presidency. Together, let us take a risk to change and struggle and make Colombia the nation of which we all dream. I ask today that you and I, together, be the ones to change Colombia.

Roundup of Economic Developments

PA1606003494

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 June.

The National Administrative Department of Statistics (Dane) reports the cost of the family basket rose 1.54 percent in May, while inflation for middle income families rose 1.53 percent and 1.58 percent for lower income families. Consumer prices rose 13.65 percent during the first five months of 1994. Dane reports that in the last 12 months accumulated inflation rose to 23.86 percent, 1.65 percent higher than the previous 12 months. The highest increases were registered in apartment rents (2.66 percent), domestic service (2.52), and fuel and utilities (2.18 percent). Public utilities rose in May as follows: electricity 3.22 percent, residential telephone service 3.59 percent, and water and sewage services 1.77 percent. Health care costs also rose as follows: medicines 2.82 percent, and professional services 1.18 percent. The family basket rose 1.3 percent due mainly to increases in the price of yucca, rice, potatoes, bread, meat, and cocoa. (Santa Fe de Bogota EL TIEMPO in Spanish 2 Jun 94 pp 6B, 7B)

According to an official source, the Medellin Aeronautical Society (Sam) and Colombian National Airlines (Avianca), both owned by Grupo Santo Domingo, will merge in basic operations and support, but each will preserve its own identity. The source has also denied rumors that Sam would be dissolved and its employees laid off. Rafael Carbonel, general director of the labor office, has said neither Sam nor Avianca has requested a concurrence to fire employees. An airline source said the merger would affect maintenance and accounting as well as regional offices. No massive firings are planned although certain positions will be abolished. Sam employees have also denied their contracts had been canceled. (Santa Fe de Bogota EL TIEMPO in Spanish 6 June 94 pp 1A, 8A)

Ecuador

Government Sets 7 Aug as Date for Referendum

PA1506234094 Madrid EFE in Spanish 0255 GMT 14 Jun 94

[Excerpt] Quito, 15 Jun (EFE)—The Ecuadoran Government today set 7 August as the date for the referendum which President Sixto Duran-Ballen announced on 10 June and which most of the opposition political forces in the country have described as illegal. During a radio and television network today, an announcer just announced the date for the referendum and read the seven-question questionnaire Duran-Ballen presented three days ago. The results of the referendum will decide whether another plebiscite will be held on 2 January 1995. This second plebiscite will be held to learn of the people's wishes regarding the summoning of a constituent assembly to make changes to the Constitution.

"Our most heartfelt wish is to make actual changes to the social, political, economic, and moral plans," President Duran-Ballen said during last week's radio and television network. [passage omitted]

Paraguay

Joint Staff Chief Denies President Pressured

PY1506232194 Asuncion ABC COLOR in Spanish 14 Jun 94 p 2

[Text] Chief of the Joint Staff Division General Pedro Concepcion de la Cruz Ocampos on 13 June denied that

on 9 June during an unexpected meeting that was held at Armed Forces Headquarters members of the military had pressured the President and Commander in Chief Juan Carlos Wasmosy or handed him an ultimatum asking that he persuade congressmen and politicians to stop the "offenses" that are being hurled at the Armed Forces. "It is absolutely not true," he stressed. He also indicated that there is absolutely nothing to Wasmosy allegedly granting military men permission to take legal action against the law that bans servicemen on active duty from joining a political party.

Ocampos denied that influential generals are pressuring Wasmosy, demanding that he prevent the attacks that are being made against the institution by politicians and congressmen. "Those rumors are absolutely not true. They are totally false," he said firmly, when referring to the matter.

Asked about the rumors that some generals want to dissolve Congress, Ocampos stated that they are hot air. "They are just rumors. No one is thinking of doing that at this point. The people who start these rumors want to frighten or create an atmosphere of psychosis. The intention just does not exist," he said.

He added that he did not believe that Wasmosy could dissolve Congress because "all of us want to get the country off the ground. To do the contrary would be a step backward and it would have internal and external repercussions," he stressed.

He also indicated that he knew nothing at all about allegations that Wasmosy has granted permission to officers who want to take legal action against the law that temporarily bans servicemen on active duty from joining a political party. "This has been put on hold and there is nothing, absolutely nothing on this matter," he said.

Asked whether it was necessary for the officers to obtain permission from the commander in chief in order to take legal action, Ocampos answered: "I do not know. I do not have any grounds to answer that and I do not want to say something that is not true and thus compromise myself. I am not mixed up in this matter of politics and I do not want to discuss it because it is not something to my liking," he said.

Ocampos also indicated that it is very dangerous for the Armed Forces if servicemen on active duty take part in the activities of political parties. "In order to stop this situation cold, the commander in chief could issue a special edict that no one can meddle in party politics. I believe that all of us understand this and therefore we do not exceed the boundaries," he said.

General Oviedo Vows To Fight for 'Social Justice'

PY1506131594 Asuncion ULTIMA HORA in Spanish 13 Jun 94 p 4

[Text] Army Commander General Lino Cesar Oviedo warned yesterday that "the military are the pillar and support for this incipient democracy." He said he will fight "for social justice in Congress so that veterans no longer receive a miserable salary from miserable people."

Oviedo yesterday made a speech at the Cerro Cora of Campo Grande Club during an homage paid to Chaco war veterans on the day Paraguayans commemorate the "Chaco Peace." Some 2,000 people attended the meeting, including a great number of politicians working for different Colorado Party factions.

The political tone of his speech was noticeable. Oviedo said in Guarani: "Everyone can speak, but no one can go around doing just anything he wants to. We will respect and see to it that others respect our Constitution. We will make laws that are in accordance with the Constitution."

To stress his position he said: "The military will continue to exist, despite those who do not like it, as the green uniform was born with the Paraguayan fatherland. We will not allow our flag to be used for personal purposes or for the subjugation of the people for the benefit of the few." Oviedo said: "The military are the pillar and support for this incipient democracy."

The military chief came out in defense of veterans, stressing that "we will struggle with you for justice in Congress, so that you no longer receive a miserable salary from miserable people." This was a direct reference to opposition legislators. He added: "If we are really human, we must be grateful." He promised to struggle in Congress "to achieve justice for our just and honorable veterans within the shortest possible period of time."

"If this Congress really represents the people, here (referring to Chaco war veterans) are the people's most deserving and meritorious members." Oviedo also mentioned Juan Carlos Wasmosy, because he, too, is the son of a veteran.

Oviedo characterized the opposition as "a bunch of cowards," adding that they are the ones who probably do not like the military.

Oviedo regretted the fact that "we are traveling among people who sow discord," and questioned the attitude of those who criticize his work and speak of a civilian and a military society. "Yes, we are traveling among people who sow discord, hate, animosity, and slander. We are doing little for our country in this way," Oviedo said. The military chief once again reiterated the need for social justice and unity "to overcome ignorance, health problems, and poverty."

Peru

APRA Leader Rejects Dialogue With Government

PY1606034394 Lima LA REPUBLICA in Spanish 4 Jun 94 p 3

[Excerpt] "The APRA [American Revolutionary Popular Alliance] has no other course than to destroy the

dictatorship." This was the unanimous response of all the APRA leaders who held an enthusiastic rally last night in the APRA headquarters to honor Agustin Mantilla Campos who was recently released from prison.

The leaders even proposed that after the current regime has been defeated, the first motion in Congress will be a formal accusation of "high treason" against President Alberto Fujimori and the military leaders supporting him.

With these expressions, the leaders discarded any possible rapprochement with the current government as was hinted by Alan Garcia unless great changes occur in the country.

The slogan sung by everyone at the rally yesterday was clear in this regard: "The APRA moves on without pacts or alliances."

The main speaker was Agustin Mantilla who energetically said that they would never accept a pact with a government that imposed a policy of hunger and misery.

He added: "In the 1995 elections, our task will be to take the dictator out of the palace and lock him up in prison."

Regarding the possibility of a concensus candidacy, Mantilla was clear when he said that, according to the thoughts of APRA founder Haya de la Torre, a political democracy cannot exist without an economic democracy.

He said: "We should not fall into a limping democracy with hunger and misery just because we want to come out of the dictatorship."

He added: The struggle is also against neoliberalism, against the auctioning of the country, against the rich who are getting richer.

Addressing the rally, which filled the auditorium, Mantilla recognized the need for the APRA to renew its program and government platform.

He said: We must look at the new world events and the real situation of the country.

But never—he said—abandon the idea that the state must continue to act in the national life.

At the end of his speech and in the midst of shouts from his supporters, Mantilla asked the party militants for more work, effort, and sacrifice to be successful in the 1995 elections.

Also, leader Jorge del Castillo clarified that Alan Garcia in an interview with a foreign television station never spoke of pacts or alliances.

He said that Garcia referred to the possibility of dialogue on issues such as misery or subversion.

He added: "He never mentioned an alliance with the dictatorship, his comments were general and some media tried to distort them." [passage omitted]

Military Operation in Huallaga Evaluated

PY1506201294 Lima LA REPUBLICA in Spanish 3 Jun 94 pp 19-21

[Article by Juan F. De La Puente Mejia]

[Text] "Operation Aries" has, among other things, proved that Upper Huallaga some months ago became the last great stronghold of the Shining Path [SL] and that, as in most of the Peruvian jungle, it is still too early to talk about a "post-SL era."

One of the first lessons learned from the events in April is that the current antisubversive strategy must be reviewed. The strategy that has been most effective—which weakened the peoples' support for the SL and prevented its infiltration in the towns—was devised by General Arciniega between 1989 and 1990. This strategy simultaneously sought to militarily defeat the terrorists and to restore the confidence of the people in the state. This strategy recovered the initiative, give military actions a bit of an edge, and thus changed the course of the war; it gave up the idea of repressing coca plantations and isolating the civilian population—especially coca growing peasants—from the SL; it began assistance programs and encouraged coca growers and the inhabitants of Uchiza and Tocache to become organized.

The strategy used throughout "Operation Aries," seems to be a more schematic and less creative application of the strategy that has been implemented—with the exception of Arciniega's time—nationwide. Its objectives seem to be exclusively military and nonpolitical, leaving little room for civilians, with the exception of their participation in the assistance programs. The people do not understand why security forces appear one time with foodstuffs and medical assistance and another time on an operation that violates their rights.

Since the start of terrorist actions in Upper Huallaga, the antiterrorist struggle has overlooked the fact that this territory is substantially different to that in other emergency zones. Violence continues in Upper Huallaga—unlike in the mountains and in coastal regions—due to endemic poverty, the concentration of wealth, and the lack of development. The peoples' need for protection from abuse by drug traffickers and the struggle against a government obsessed with eradicating coca plantations helped the Shining Path to grow strong. What the SL saw as "rebellion," the people interpreted as "protection."

Likewise, it would be interesting to assess the results of a military operation that was described as an orderly offensive when in truth it was a counteroffensive.

It was obvious, and reported in various forms, that during the past few months the SL has been engaged in a desperate offensive and a geographic relocation, a fact

that was not acknowledged or wrongly assessed by the military command of the zone. Following its most recent nationwide meeting—last February—the SL began a nationwide offensive on 1 April with its greatest expectations centered in Upper Huallaga.

The same sources stated that between 1 and 6 April the Armed and Police Forces lost many agents due to SL ambushes, commenting that "Operation Aries" was a hasty and poorly planned action. This explains why the SL "Red Sea" column easily eluded the military barrier, why no significant arrests took place at the theater of operations, and why the military command made the great mistake of holding the International Red Cross Organization responsible for the terrorists' escape.

This is explained in the fact that "Operation Aries" had purely military objectives.

The following factors were not taken into account when the Cuchara, Primavera, and Yanajanca valley's were surrounded and when the towns scattered throughout the 80,000 hectares were bombed (with rocket fire):

First, that territory has for a long time rejected the SL units and settlers have refused to cooperate with them. Second, that territory has been covered by the "Red Sea" column which came to intimidate the settlers. Third, that territory is of political interest to the government and the other institutions that are carrying out projects to replace coca. It is also the place where Enaco [National Coca Enterprise] is campaigning to legalize the illegal coca plantations, and these initiatives require the confidence and cooperation of the civilian population for their success.

The second problem that transcends the defeat of the SL is the endemic lack of democratic institutions, and the profound economic, and social backwardness of the zone. The people blame successive governments for the lack of democracy and development, these governments promised great projects but did not carry them out and only remember the existence of the zone every time there is an antidrug or an antisubversive operation. The people recognize, however, that small progress to combat the endemic evils of the region have been made since 1990.

It would be a mistake, therefore, to fail to appreciate the few civilians who live in Upper Huallaga and to use them exclusively to form peasant defense patrols. An antisubversive strategy that destroys what little government and democracy there is there could achieve a military victory in the short-term but it would leave the next governments with their hands tied when they try to manage that region which is part of the large Peruvian jungle of which it is said a great deal of our future depends. It is necessary to consider that in the post-SL era, the lack of a development model to successfully replace the drug trafficking economy with the state economy will again be a reason for confrontation and demand. It would be risky if the legacy of the Armed Forces amounts to nothing more than simply arming peasant defense patrols.

To give an example of the current situation of the towns and cities of Upper Huallaga, we should look at Uchiza and Tocache, which were the magic cities of the past and always full of life. Today they have electricity for just a few hours a day, their streets are not paved, and health care and education are poor. Until a few years ago, the association of parents in high schools gave "allowances" of food and housing to graduated teachers who agreed to stay in the zone despite the dangers.

Aucayacu is not connected to the Mantaro Electrical Plant, it has thermal equipment like Uchiza and Tocache. Its streets are not paved and the highway to Tingo Maria, which was once paved, is unrecognizable—the 300 or so ditches opened by the SL some years ago have been filled but not paved.

Tingo Maria is the worst case of neglect. Even though it is the capital of the province, the state has invested very little in this town where 50 percent of the shantytowns have no electricity and 30 percent of its streets are not paved.

Following the heated municipal elections which many believe were won by Ramon Julca, the people had great hopes of Mayor Loyseth Reategui Lopez's administration. But Tingo Maria inhabitants were disappointed in less than a year. It turns out that the worst municipal administration in Peruvian history has spurned the people and handed over all its power to the military. Reategui's recent statements justifying cases of abuse and denying the violation of human rights and dubious actions by her administration prompted the creation a few days ago of the Leoncio Prado Defense and Development Front, headed by Guanilo Lopez.

The Front has protested over the signing of a huge contract between the Fonavi [National Housing Fund] and Tecnicos Ejecutores S.A. The deal is endorsed by Reategui and will supposedly provide electricity to the shantytowns. The funny thing is that, after the contract was announced, it became apparent that the shantytowns will benefit least while Tingo Maria, which already has nine electricity supply lines, will be further electrified at a very high cost that will be paid by its neighbors.

Guanilo Lopez has warned of a possible fraud and pointed out that while the electrification of the rest of the country is funded by the Treasury through Foncodes [National Compensation and Social Development Fund] or the Ministry of the Presidency, in Tingo Maria—a town plagued by poverty and fear—development costs the earth. Lopez stated that this contract sounds even more suspicious when one considers that another enterprise, Orion S.A., quoted for the same job for half the price.

One of the most vulnerable towns is Tingo Maria, due to the constant overflowing of the Huallaga River. It has not had the municipality's support to create a Civil Defense office. On the contrary. According to the Front, donations by the National Civil Defense following the floods early this year have disappeared. The list of

irregularities also mentions the over-invoicing of the roof of the market place (by 100,000 soles), the paving of airstrips, and the hiring of enterprises that belong to councilmen, which is prohibited under the penal code.

Nevertheless, the mayor continues on her controversial path and reacts to any complaint by recalling Huanuco's campaign to become annexed to Ucayali. Sectors of the local media maintain this would be even worse, that Ucayali will not worry about Tingo Maria if currently it does nothing about Aguaytia which is much nearer to Pucallpa. Many believe the only solution is for the government to take care of Tingo Maria.

The situation in rural areas is no better. Rural investments are limited and, despite some achievements by the Upper Huallaga Development Project (PEAH), the main objective has failed: to broaden the agricultural border.

The main problems facing agricultural development are the transfer of technology and the successful diversification toward the eradication of coca plantations.

But things are not that easy: Decades of coca plantations, which hardly require any technology, have created a mentality that prefers easy crops and despises technology. Despite its potential, the farming sector in Upper Huallaga uses less technology than anywhere else in the country.

The same occurs with the coca replacement. Although it has been proven that traditional crops (cocoa, corn, fruit, rice, and others) would be best to replace the coca plantations, most implemented projects tend to try other crops (silkworms, the luisa plant [small plant grown in Peru for medicinal purposes]) which are not working. Among the identified problems in the development of the rural sector are the lack of markets, technical assistance, and product promotion.

To meet Upper Huallaga's demands, the government would have to change its attitude toward that region. It has been proven that the replacement of coca plantations and neoliberalism are contradictory.

The SL began the year by consolidating a strategy it has been using for months. It involves the regular use, for the second time, of the corridor from Monzon Valley (in Upper Huallaga) to the northern mountain region in Huanuco Department and from there to the provinces east and south of Ancash; at the same time they moved their forces north, toward Lower Huallaga (Campanilla, Juanjui, Bellavista, and Picota, in San Martin Department) and east, toward Padre Abad Province (Ucayali Department). At the same time, its Huanuco Zone Committee was elaborating a plan that has clear objectives for Huanuco University and the shantytowns that surround this city.

This movement is the alleged result of undeniable facts: the SL's relationship with the rural population of Upper Huallaga is coming to an end and in many zones (for example the pockets near Aucayacu) it is openly rejected. Other factors include the SL's failed attempt to administer the coca economy, a substantial reduction in the rural population due to the crisis affecting the coca production, the shifting of the drug trade to the north of San Martin Department, the Central Jungle, and Madre de Dios, and the harsh blows by the Armed Forces over the past few years.

At the height of its power, members of the SL took over small coca producing peasant villages scattered throughout the Huallaga Valley where they imposed their law and their organization. They appointed delegates and established a "local force." They appointed those responsible for logistics, military, and political affairs; they issued rules and punished those who violated them. The town that had been "taken over"—more often than not with the consent of its inhabitants—was revisited several times and became an SL recruiting center.

It seems that the villages are now disavowing SL impositions and it looks like relations between SL and the civilian population are no longer cordial. The strict SL moral codes, which generally do not apply to SL members themselves, are no longer welcome. The so-called "local forces" and the "grass-roots forces" are experiencing a true crisis.

In this new stage, SL has decided to strengthen its so-called "main force," that is, the mobile columns that make up the People's Guerrilla Army (EGP). The most important of these (comprising 120 to 150 men) is the "Red Sea" battalion; another, comprising 60 to 70 men, operates in Pucayacu—a town near Aucayacu—where they killed four people, among them the president of the local Mothers Club and a Foncodes [National Compensation and Social Development Fund] promoter. On 17 and 18 May, when an "armed stoppage" was staged, SL columns were spotted near the Padre Luyando district and between Crespo, Castillo, and Aucayacu. In spite of this, the "armed stoppage" was a failure.

This reversal could be fatal for the SL. By resorting to its columns, SL is entering a field it does not dominate, that of large-scale guerrilla warfare. So far, SL has preferred to perpetrate simple ambushes or bomb attacks, killing civilians or military personnel, and attacking towns that have no police or military protection. There have been very few instances of clashes over the past 14 years (the takeover of the Huamanga and Vilcashuaman jail; the attack on the Uchiza police post; and the attack on the Madre Mia military base in Upper Huallaga, among others). It is well-known that in its creed, SL puts heroism before military training; dedication before sophistication. To counter this disadvantage, the SL has been forced to violate one of the most sacred rules of "President Gonzalo" [top SL leader Abimael Guzman]: "Do not buy weapons, seize them from the enemy."

Everything indicates that the SL has become modernized in the Upper Huallaga area and now has sophisticated weapons; this is proven at the military command's press

appearances. Until recently, we saw shotguns, booby traps, and handguns. Now they carry FAL [Light Automatic Rifles] and RPG [antitank grenades], Instalaza rockets, fragmentation grenades, etc.

This is not the only rule the SL members in Upper Huallaga are violating: Compared with their traditional ideological anachronisms, their current actions have no political meaning and they are acting more like bandits. An example of this is their incursion in Pucayacu on 14 May: The president of the local Mothers Club was killed "for accepting food assistance from imperialism" yet later...SL members carried off 3 metric tons of the same food supplies.

Stern nom de guerres alluding to the Maoist tradition have yielded to nicknames and aliases. Among these are "Chapulin," "Bigotes," "El Manco," "Yersi," "Napo," "Pepe," "Jeshuco," "Michel," "Anuje," "Taruca," "Chocolate," "Cucharita," "Popeye," etc. None of these would suggest to us Peruvian Maoist combatants.

Villagers have reported that one of them, "El Manco," who is believed to be the leader of the "Red Sea" column, is known for his blood-thirstiness with his victims. Many legends have been created about him. The most incredible removes him from the political world and places him in the world of black magic: Villagers say he made a pact with the devil who demanded one of his arms in exchange for immortality. This is why he remains unscathed in all the clashes.

Everything seems to indicate it will be hard for SL to relocate itself in other areas and to base its actions on its "main force." Moreover, it experienced a serious defeat in Huanuco over its plans for the "Hermilio Valdizan University. The arrests made in the last three months are believed to have seriously damaged the party and the "party organizations." [quotation marks as published]

Local experts have said these difficulties follow a slackening of internal discipline. For example, it has been reported that Huanuco SL members commemorated Mao's 100th anniversary on 26 December in the town of Vichayoto (15 km from Huanuco) with such a huge party that the following day scheduled operations had to be canceled: The local main square was not taken over. This resulted in the sparing of the lives of Mayor Luzmila Temple, local regional government president Lucia Shinsato, and Provincial Prosecutor Carlos Tucato, who were supposed to have been assassinated.

In Huanuco, arrests have followed the detention of German Campos Mallqui. He was arrested in January and numerous documents were seized from him. His delayed repentance resulted in the arrest of others, including some university professors who are not directly involved in seditious activities. In light of this, the proposed SL takeover of the Huanuco University seems more and more unlikely.

Uruguay

Lacalle Signs Declaration on Press Freedom

PY1506234094 Montevideo EL OBSERVADOR ECONOMICO in Spanish 8 Jun 94 Politics Section p 7

[Text] Yesterday, President Luis Alberto Lacalle asked the publishers in our country to bear in mind that the idea of liberty is also "imbued with a lofty idea of responsibility."

Upon signing the Chapultepec Declaration on freedom of the press, Lacalle discussed this issue with the top officials of the Inter-American Press Association (IAPA) yesterday. The president pointed out: "Even though there is a constitutional provision establishing liberty and all of us are ready to preserve it, liberty is increasingly matched by the responsibility of publishers, editors, directors, and owners."

The chief executive noted: "If we bear in mind that the judicial branch may not always act quickly, it is necessary for liberty to be increasingly matched by the responsibility of owners, directors, and media promoters."

Lacalle pointed out: "By signing this declaration we confirm our commitment to making men entirely free and responsible for their actions."

Present at the ceremony were IAPA President Raul Kraiselburd, IAPA Vice President Robert C. Hardie, and local media executives, including EL OBSERVADOR ECONOMICO director Ricardo Peirano. Argentine President Carlos Menem signed the declaration on 6 June, and Paraguayan President Juan Carlos Wasmosy will sign it on 8 June.

Foreign Minister Abreu Views Integration

PY1506180094 Montevideo EL PAIS in Spanish 5 Jun 94 Section Four pp 1-3

["Highlights" of Foreign Minister Sergio Abreu's remarks during one-hour meeting with reporter Emilio Cazala; place and date not given]

[Excerpts] We have always favored the concentric circles policy: a region, the continent, and the rest of the world. In Uruguay, we have for many years supported a midpoint policy, that is, agreement with our two large neighbors—with the active participation of Bolivia and Paraguay—to transform the River Plate Basin into a geopolitical structure, allowing Uruguay to assume its role as the River Plate Basin's export gate.

Uruguay has been described as a "hinge," a country in the lower abdomen of South America that may be the most effective renderer of services and may demonstrate competitive advantages over its huge neighbors—Brazil and Argentina.

Within the integration drive, Argentina has bilateral and quadrilateral relations. Bilaterally, we have our economic agreements, our political agreements on border cooperation, our joint River Plate statute, the common River Plate seashore since 1974, our Uruguay River with its dams and bridges that involve every aspect of integration—physical, transportation, and electric power integration.

This is complemented by trade integration. In our opinion, integration involves bilateral agreements, basically through Mercosur [Common Market of the South]. This shows that both Uruguay and Argentina must gradually meet the other partners within a strategy that will allow us to increase understanding rather than misunderstanding, increase complementation rather than disagreement, and increase competitiveness rather than exclusion from participation in our joint efforts. This integration involves complementation not subordination. This is the idea we are promoting.

With this idea of bilateral projects, complemented by quadrilateral projects and a hemispheric projection, we began to increase the dynamics of our relationship in issues involving common interests, especially the River Plate. Uruguay has specifically established as a priority the dredging of the Martin Garcia Channel. Why? Because it involves active participation in a common river, because it increases the dynamics of rendering services in the River Plate Basin area, and because it confirms the legal obligations of the five countries that make up the Waterway Treaty. This treaty has yet to be implemented. It has been partially approved in Argentina and Brazil. Private and public sectors are already developing a number of initiatives and projects, clearly showing the implementation of the enterprise.

Bearing in mind the waterway project, we consider the Martin Garcia Channel and the reactivation of Nueva Palmira, the waterway terminal, to be a priority.

The waterway project is not just of interest to Uruguay. It is important and we wanted to mention it the way we explained it to Argentina. Not just Uruguay, or Nueva Palmira, or navigation linked to Uruguay's interests will benefit. The idea is a better rendering of services in the field of river transportation, involving maintenance costs, transportation costs, and enhanced navigation security.

It involves a more effective rendering of services that will allow increased demand, both in quantity and in quality. This point was raised by Uruguay. Therefore, Uruguay considers the Martin Garcia issue a priority in its geopolitical stance. We experienced problems, comings and goings, and tense negotiations for many months prior to the exchange of notes in June 1993 and now the signing of notes, calling the bid and the filing of specifications for the Martin Garcia channel dredging and the commencement of this project by the end of the year.

We also have the management of common resources, like the common fishing zones and everything pertaining to fishing policy with Argentina. Uruguay is experiencing a special situation; through a fishing agreement that was signed a few days ago it is now forbidden to catch medium-size hake in this zone so as not to plunder this resource which migrates south and which has been exploited by Argentina and by the EU. All this has been raised by Uruguay, with concern, firmly, but respectfully because these are common resources that must be managed. We have raised these issues at the United Nations, the EU, and at the bilateral level.

We have the river transportation system, in which we must define how the flag system will operate in the bilateral area; we also have the passenger transportation system, which is important for Uruguay, for which we sought and found the solution that was signed with Argentina on 3 June. We have a river transportation system in which a long-standing disagreement between two ways of thinking is going to be resolved.

This issue is also linked to the Uruguay River's navigability. This is another aspect of our border cooperation policy, and we must remember that our borders with Argentina involve rivers. The situation is not like that with Brazil, with which we do not share any navigable rivers, and this gives rise to other dynamics and a different situation. With Argentina we share a river that unites us, supplies us with resources, and allows us to cooperate in the fields of transportation of merchandise and passengers; tourism, which today represents Uruguay's main source of foreign exchange; and energy production.

Salto Grande is one of the most important hydroelectric power plants in the region. It involves production, sale, coordination, and cooperation in the energy field between the two countries. The river will consolidate our cooperation and the supply of joint services. The Uruguay River and the Salto Grande project involve water and energy. Navigability of the Uruguay River is important because it serves as an outlet for distant export centers in Argentina and in Uruguay. Nueva Palmira is the last stop along the Paraguay-Parana waterway, a project that involves five nations. Dredging the Martin Garcia Channel is a contribution to navigation safety and modernization. Another joint effort involves the river transportation of passengers using a clear flagging system. Fishing is a very important resource for the country. The preservation of the environment, particularly the ocean front, concerns the entire world, not just our two countries. These projects involve joint efforts by both countries and the search for common elements for cooperation. These common aspects are characteristics of a more interdependent and global world where nationalities consolidate and project themselves into integration and cooperation projects.

The old system of isolating nationalism is being replaced by a dynamic nationalism involving cooperation and coordination. The true expression of nationalism for our peoples will be prosperity.

This prosperity should not be an expression of egoism, it should be an expression of coordination and reciprocal concessions for our mutual benefit.

This is the model of our relations with Argentina. We talk about the issue at all forums when we refer to subregional or regional aspects. But we also have a hemispheric projection.

Our geopolitical relations involve Brazil, Argentina, Paraguay, and Chile. It is a trade integration plan that assumes integration and openness are compatible. We suggest an administrated openness in which Mercosur acts as the cornerstone of production and integration. When we ask Argentina, Brazil, and Paraguay to consolidate this effort, to respect our obligations, and to advance, it is because we believe in the process. It is precisely through credibility that we will strengthen our internal relations.

We know integration in general is full of unfulfilled goals, but we do not want this. We are sometimes confronted with problems that place national interests against group interests. In this case it is more important to stress the national interest even though the group will have difficulties, because this is the only way to maintain credibility and respectability.

Consistency, openness, and professional attitudes are the three pillars of our foreign policies. We project them in our bilateral relations with Argentina and we project them in our multilateral relations through Mercosur. [passage omitted]

We also project ourselves politically into our hemisphere, in a world with a single world power. We have dynamic relations with the United States. We want to integrate gradually with them economically, through Mercosur. But we also want the United States to become integrated into a more balanced concept of international law, particularly in aspects that are important to us, like the new concept of hemispheric security. Uruguay and Argentina have expressed their desire that nonintervention, self determination, and peaceful solutions to controversies should become unchangeable principles. We believe these principles should be established tenets, not because we are conservatives but because they represent the essence of respect for countries' identity and a valuable tool in handling political relations between stronger and weaker nations.

Uruguay, we have always said, is geographically, militarily, and economically a lot smaller than Argentina or Brazil. But the principle of the sovereign equality of nations makes us as strong as any other nation at the time of defending those principles. We want to see great caution regarding hemispheric security so as to avoid being the instrument of other country's policies. This is very important because it gives us credibility and respectability. We handle these issues with clarity and frankness and the Argentine Government understands and accepts our position.

All these elements show Uruguay is integrating its foreign policy and has privileged bilateral relations with Argentina, Brazil and Paraguay through Mercosur. Uruguay is also integrating its policies with the Southern Cone, and naturally with Chile.

There has been a qualitative change in our relations with Argentina over the past few months. Difficulties are being gradually solved with a lot of flexibility. This quality has its maximum expression in the Argentine president and the Argentine Foreign Ministry. They have a vision like that of former Argentine President Juan Domingo Peron when we signed the Rio de La Plata Borders Treaty which, beyond any doubt, contributed greatly to the juridical security of our relations. It created the idea that we should share a resource that belongs to both countries, setting aside the idea that the stronger party is always right. [passage omitted]

Integration today is the projection of the idea and the thought that our participation is not done in detriment of our identity, but precisely to strengthen it. The fact that we are working on integration projects—including some project that might have an importance beyond our borders—does not mean we are losing our Uruguayan nationalism. Our origin, and the effects of our culture, family, education—and even the strategic projection of our future—are reflected in our reality.

Europe, the continent that bestowed upon us a series of positive cultural elements and even religious traditions, is very distant when we begin to discuss trade interests.

When we defended Uruguayan interests during the GATT round we realized that European interests, not solidarity with Latin America, always prevailed.

That is their legitimate right and their legitimate position. When we defend our positions we must place limits on our romantic ideas and emotional reactions. This is why we view the region and our relations with Argentina, Brazil, Paraguay, and Bolivia as our great priority. We are a region, a subregion, with the same origin, feelings, and interests. These three elements unite us. Regrettably, the intensity of these feelings is sometimes used by groups that seek privileges. These elements must by administered by governments, the people, and by those interests. The short-term success of those interests usually means the defeat of medium-term state positions and strategies.

Venezuela

Government Intervenes in Eight Banks

PA1506154594 Caracas Union Radio Network in Spanish 1100 GMT 15 Jun 94

[From the "Union Radio News" newscast]

[Text] The intervention by the government in eight banks, which was expected, is now a reality. Many

people, however, were taken by surprise. The announcement was made by the high council of the General Bank Superintendency, which disclosed that since 25 January the eight banks in question had been receiving funds from Fogade [Deposit Guarantee and Banking Protection Fund]. The banks in question are Banco Maracaibo, Banco La Guaira, Banco Metropolitano, Banco Construction, Banco Barinas, Banco Amazonas, and Sociedad Financiera Fideca.

Finance Minister Julio Sosa Rodriguez, a member of the General Bank Superintendency's high council, after reading the official communique, told reporters that the guaranteed 400 million bolivares [as heard] per depositor, which totals over 350 billion bolivares, will be paid with approved bonds worth 400 billion bolivares. The fact of the case is that, according to Sosa Rodriguez, the decision marks a new phase within the process of stabilizing and strengthening the national financial system. Sosa said that reports by the General Bank Superintendency and Fogade prove that assets and operations at the eight banks have deteriorated.

[Begin Sosa Rodriguez recording] The measure is the result of a General Bank Superintendency decision and the reports issued by Fogade and the Central Bank. The basic reason—which is easy to understand—is that Fogade provided quite ample funding to those banks and the time came when these institutions could not back up Fogade's funds with assets. Consequently, Fogade could no longer continue funding them. [end recording]

Meanwhile, the announcement of the interventions was not well received by the business sector, which believes they will foster distrust and concern regarding the economy, especially since the authorities have not disclosed the steps followed in an intervention. This was confirmed by Jorge Serrano, first vice president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry].

[Begin Serrano recording] Many businessmen have checking accounts at those banks and will find their operations restricted. Fedecamaras has been receiving calls since midmorning from businessmen asking what to do. The government should disclose this information to the country as soon as possible; if possible within a few hours. [end recording]

To conclude, the intervention will not affect the extensions granted by the General Bank Superintendency to the eight banks in question to restore the capital lost by former shareholders. The extension will expire on 29 June and the Superintendency will decide how long the eight banks will remain closed.

Authorities Suspend Classes in Zulia

PA1506161894 Caracas Union Radio Network in Spanish 1100 GMT 15 Jun 94

[From the "Union Radio News" newscast]

[Text] An incident between a Venezuelan Army unit and Zulia University students has intensified the wave of violence reported over the past few days in the capital of Zulia. As we were the first to disclose, an Army jeep escorted by a National Guard jeep knocked down two University of Zulia students and two high school students who were immediately taken to the Maracaibo University Hospital.

The incident took place when the jeep was transiting University Avenue and the students attempted to stop it and set it on fire. The Army troops increased their speed and the incident ensued, resulting in four students being injured. The two university students most seriously hurt received traumatic injuries and were transferred urgently from the University Hospital to El Varillal clinic in Zulia, where they are undergoing emergency surgery.

Due to this circumstance, the rectorial council of the University of Zulia decided to suspend classes indefinitely and the Secretariat of Education in Zulia ordered the suspension of classes at the largest high schools in the Zulian capital. Angel Lombardi, rector of the University of Zulia, commented on the situation.

[Begin Lombardi recording] After consulting with the deans, various authorities, and the student leadership, we decided that it would be wise to suspend all academic activities today and tomorrow. During these two days the University Council will assess the situation. We believe our decision might help to reduce the violence of the past few days, but I agree with the assertions that I have heard. I believe that on Friday there was reason for indignation—Friday was a day of indignation and anger—over a death which was truly unnecessary and very regrettable. [end recording]

Classes have been suspended because the disturbances over the past few days ended in the burning of 15 vehicles and losses estimated at 200 million bolivares. On Tuesday, the largest demonstrations were staged in Cabimas, where a vehicle was burned. In Maracaibo, high school students staged riots despite the suspension of classes. They burned tires and closed streets, but no major incidents were reported.

Roundup of Economic Developments

PA1506232494

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 15 June.

The government has announced that the Aeropostal airline will be put on public bid once again within 90 days. If during this time it is not privatized, the company will be closed down, because currently it is producing a loss of about 20 million bolivars daily. (Caracas Union Radio Network in Spanish 2200 GMT 7 Jun 94)

Gustavo Roosen, presidential commissioner for financial reform, has reported that of the 750 billion bolivars granted

as financial aid by FOGADE [Deposit Guarantee and Banking Protection Fund], only 30 percent will be recovered, because it would be unwise to sell the assets of the banks FOGADE is supporting. If the assets were to be sold, the market would be flooded with property, thereby hurting the construction sector. (Caracas Union Radio Network in Spanish 1100 GMT 9 Jun 94)

Venezuelan Petroleum Inc. (PDVSA) has reported that the production of crude is growing at an annual rate of about 7 percent in 1994. PDVSA also indicated that between 1992 and 1994 annual investments of $3.5 billion have been made in this sector and that 1993 closed without a deficit. (Caracas EL NACIONAL in Spanish 9 Jun 94 p E-3)

Acting Finance Minister Luis Xavier Grisanti has reported that fiscal revenues for the 1994 budget have been reestimated at 1.55 trillion bolivars, representing a 322 billion increase from last year. (Caracas EL NACIONAL in Spanish 9 Jun 94 p E-3)

The Finance Ministry has reported that 17.6 billion bolivars were collected as part of the new Bank Debit Tax debits in the first month of its application. The ministry also reported that the financial crisis unleashed by the Banco Latino intervention has caused uncertainly among the public, which has been reflected in the exchange rate and caused a demand for dollars that exceeds the needs of the nation's normal economic transactions. (Caracas ECONOMIA HOY in Spanish 10 Jun 94 p 8)

Berend Roosen, president of the National Council of Commerce and Services, has said merchants remain very concerned about the devaluation of the bolivar and increasing interest rates. Both factors are prompting higher prices, inflation, a decline in sales, and a loss of purchasing power, thereby forcing many merchants to close their shops. (Caracas ECONOMIA HOY in Spanish 10 Jun 94 p 10)

According to estimates diclosed Saturday, the recovery of petroleum prices in recent weeks will provide for additional revenues of $242 million for Venezuela. In addition, revenues in May increased by approximately $120 million. (Paris AFP in Spanish 1636 GMT 11 Jun 94)

According to Inter-American Development Bank sources, Venezuela has been granted 50 loans for a total of $3.501 billion, registering disbursements of $1.694 billion to be paid out in 10 years. Part of this loan will used to construct a power station with an installed capacity of 2.160 megawatts, and in which environmental aspects have been taken into account. (Caracas EL UNIVERSAL in Spanish 11 Jun 94 p 2)

An official report today indicated that between 2,500 and 3,000 small and medium-sized industries that have debts of more than $1 billion risk going bankrupt. The debts of the industries that provide jobs for approximately 100,000 people is unpayable by the debtors under the current conditions, according to a Development Ministry document. The report indicates that massive bankruptcies could be unleashed, which in turn would increase the current registered unemployment rate of 22 percent. (Mexico City NOTIMEX in Spanish 0121 GMT 14 Jun 94)

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